

A photograph of the interior of the Michigan House of Representatives chamber, viewed from a low angle looking up at the ornate wooden ceiling and the central dome. The text is overlaid on the image.

# **Michigan Trial Court Funding Commission**

Executive Overview

Michigan House of Representatives

Judiciary Sub-committee

March 10, 2021

# INTRODUCTION

***Michael Bosanac***  
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Served as Member of Trial Court Funding Commission  
-Appointee of Michigan Association of Counties

# INFORMATION OUTLINE

- ☐ ***Background on Michigan Trial Court Funding***
- ☐ ***Current Funding Model***
- ☐ ***Finances of Michigan Courts***
- ☐ ***A New Funding Model***
- ☐ ***Thoughts on some Action Steps***
- ☐ ***Discussion/Idea Exchange***

# Trial Court System Overview

## Notes on Michigan Trial Court System:

- ❖ 165 Court Funding Units

- ❖ 242 trial courts in Michigan

  - ❑ 57 Circuit Courts

  - ❑ 78 Probate Courts

  - ❑ 103 District Courts

  - ❑ 4 Municipal Courts

    - 559 total circuit, district, probate and municipal Judges

    - 9,000 employees

    - ❑ **Legislative response:** Authorized trial courts to levy costs. Statute included sunset provision extending this authority to October 17, 2020 (Act 64 of 2017). Act 151 of 2020 extended again to **October 2022.**

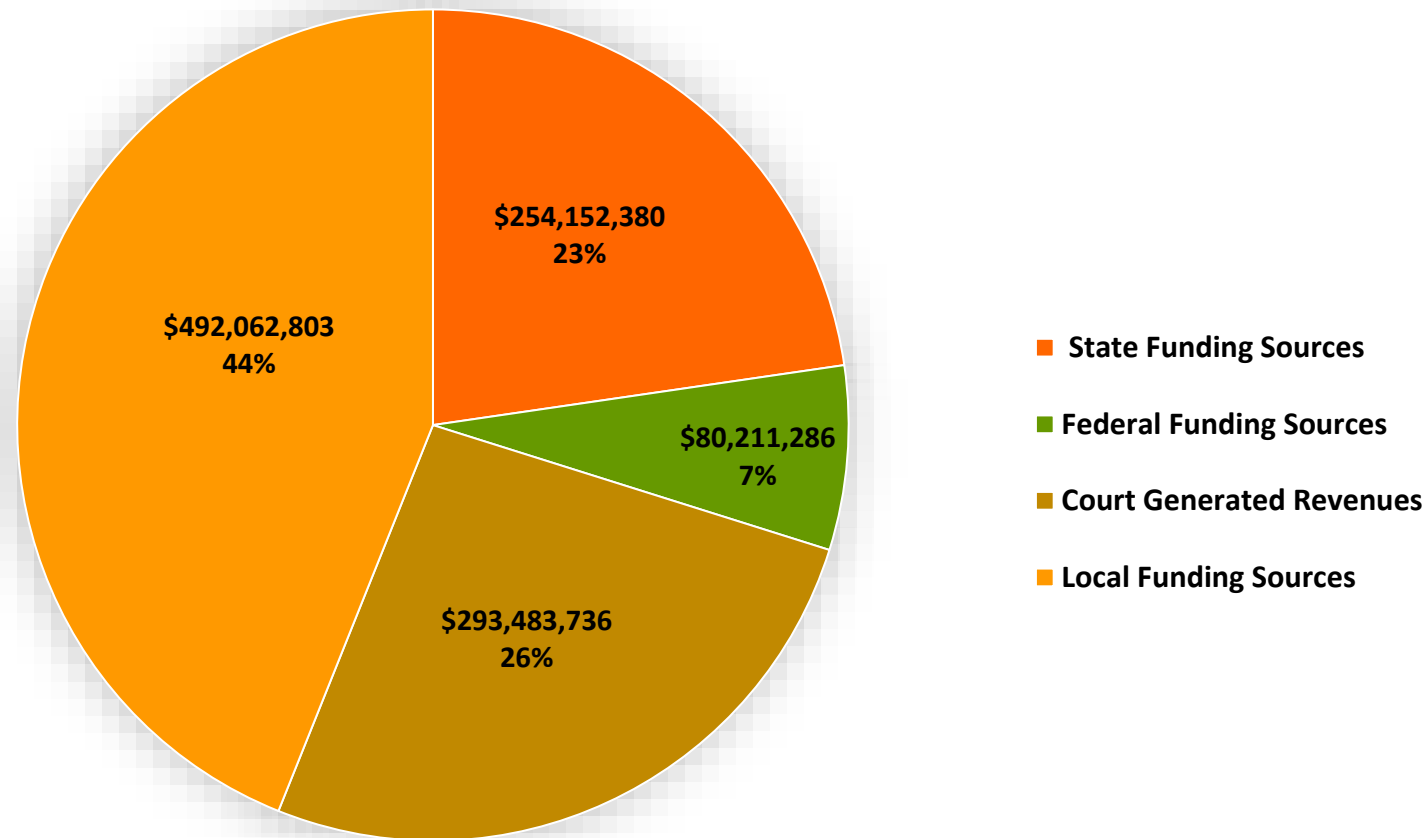
# Financial Snapshot—Michigan Courts

## Data as of 2017 Financials

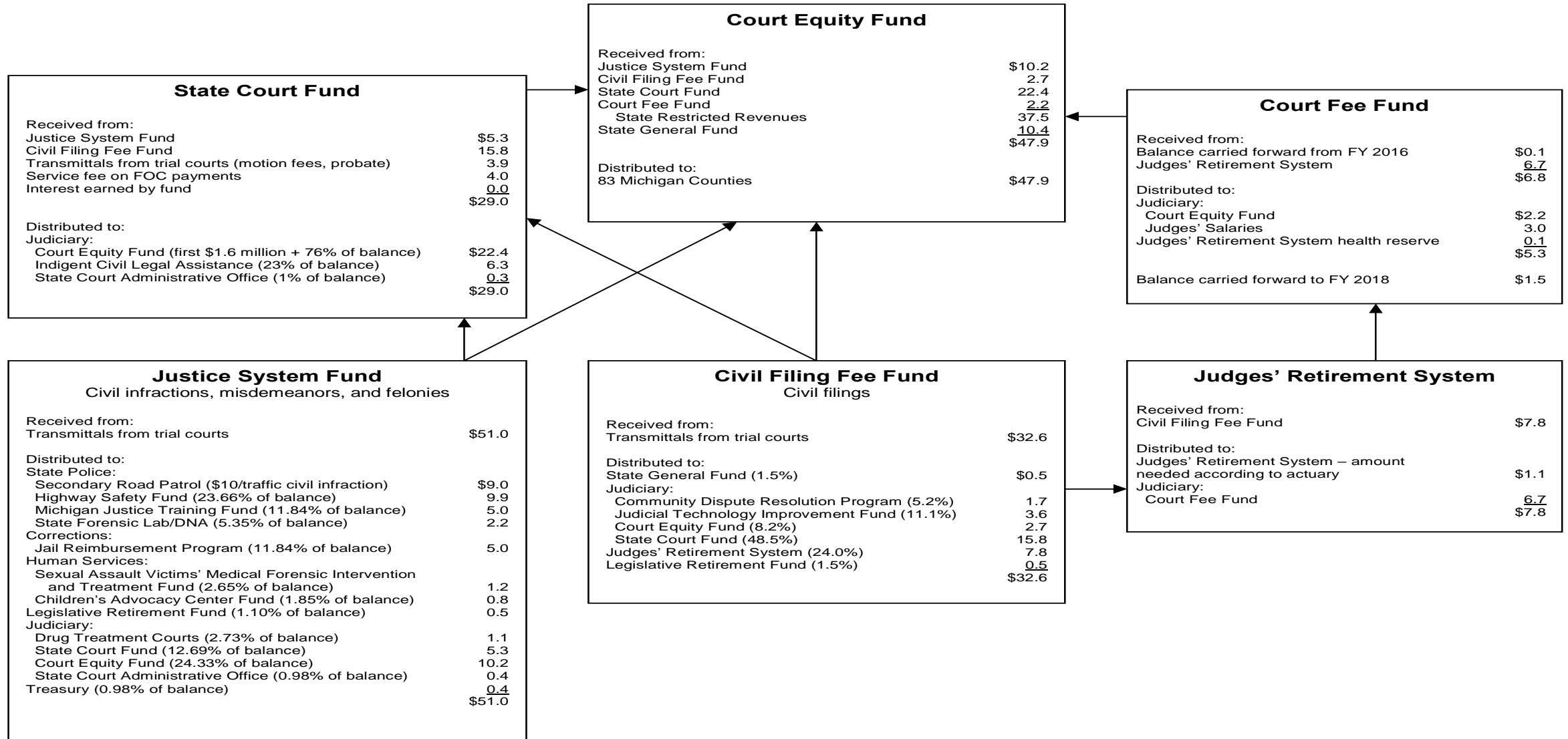
Line Item	Projection (Range Mean)	Range with 95 Percent Confidence
Total court expenditures	\$1.29 Billion	\$1.14 Billion to \$1.44 Billion
Total court assessments (retained by the local unit)	\$255.1 Million	\$218.8 Million to \$291.4 Million
Total state remittances	\$134.5 Million	\$132.6 Million to \$136.4 Million

# Funding Sources to Michigan Courts

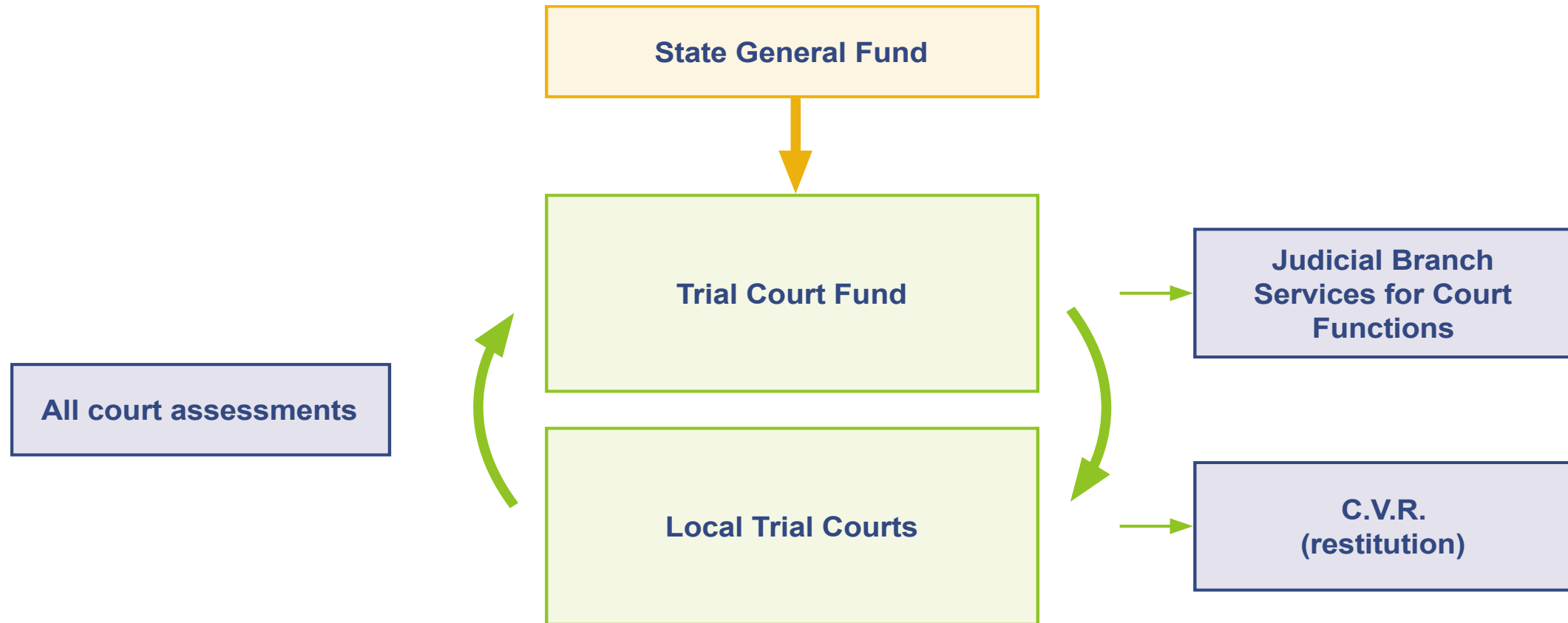
CALCULATION OF TOTAL REVENUES PROVIDED TO COURTS BY UNITS OF GOVERNMENT



# Michigan's Current Funding Structure

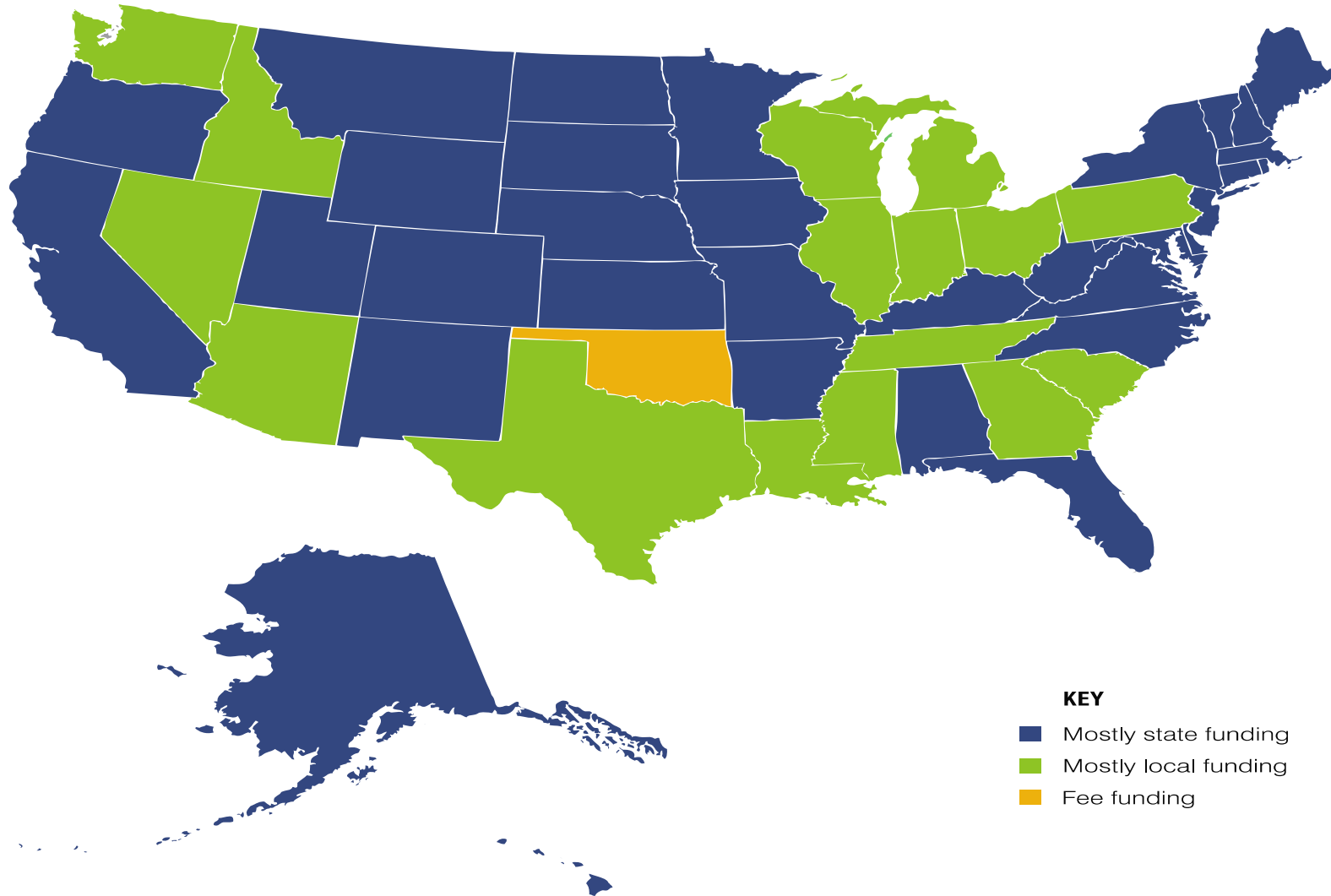


# A New Funding Model for Michigan Courts





# National Perspective-Court Funding



	1st	38th			
<i>Data as of year-end 2017</i>	District	Circuit	Probate Court	Total	All State
	Court:	Court		All Monroe County	Courts
	Retained by Local Unit	(Including Juvenile)		Court System	Grand Totals
<b>A. SOURCES OF DIRECT FUNDING:</b>					
State Grants/Payments1	\$ 175,510.68	\$ 154,518.78	\$ 363,114.84	\$ 2,709,416	\$ 216,123,605
State Court Equity Funding2		\$ 612,679.00		\$ 612,679	\$ 38,028,774
Federal Grants/Payments3				\$ 1,381,251	\$ 80,211,286
Fines/Fees/Charges for Service4	\$ 2,760,033.20	\$ 43.00	\$ 92,736.13	\$ 3,478,558	\$ 227,463,324
Other Assessments				\$ 52,534	\$ 16,386,362
Court Appointed Attorney Fee Reimbursements	\$ 114,237.56	\$ 86,020.26	\$ 37,777.64	\$ 238,035	\$ 8,912,815
Other Revenues	\$ 28,343.90	\$ 399.75	\$ 60.00	\$ 214,128	\$ 40,721,237
General Fund Contribution5				\$ 2,342,002	\$ 271,893,191
TOTAL SOURCES OF DIRECT FUNDING	\$ 3,078,125.34	\$ 853,660.79	\$ 493,688.61	\$ 11,028,603	\$ 899,740,593
<b>B. EXPENDITURES:</b>					
Salaries and Benefits6	\$ 3,407,746.40	\$ 773,526.38	\$ 2,042,533.37	\$ 11,596,633	\$ 659,835,036
Operating Expenditures	\$ 428,059.34	\$ 509,336.34	\$ 432,911.87	\$ 2,219,010	\$ 364,583,150
Security Services7	\$ 250.00			\$ 8,470	\$ 10,071,282
Indirect Cost Allocations				\$ 489,356	\$ 42,707,389
Capital Technology Costs				\$ -	\$ 10,447,071
Facility Costs8				\$ -	\$ 32,266,278
TOTAL EXPENDITURES	\$ 3,836,055.74	\$ 1,282,862.72	\$ 2,475,445.24	\$ 14,313,469	\$ 1,119,910,205

<i>Data as of year-end 2017</i>	<b>1st District Court:</b>	<b>38th Circuit Court</b>	<b>Probate Court</b>	<b>Total All Monroe County Court System</b>	<b>All State Courts Grand Totals</b>
	<b>Retained by Local Unit</b>	<b>(Including Juvenile)</b>			
<b>C. CALCULATION OF TOTAL REVENUES PROVIDED TO COURTS BY UNIT OF GOVERNMENT</b>					
Total State Funding Sources	\$ 175,511	\$ 767,198	\$ 363,115	\$ 3,322,095	\$ 254,152,380
State Funding Sources as a % of Total Expenditures	4.58%	59.80%	14.67%	23.21%	23%
Total Federal Funding Sources	\$ -	\$ -	\$ -	\$ 1,381,251	\$ 80,211,286
Federal Funding Sources as a % of Total Expenditures	0.00%	0.00%	0.00%	9.65%	7%
Court Generated Revenues	\$ 2,902,615	\$ 86,463	\$ 130,574	\$ 3,983,256	\$ 293,483,736
Court Generated Revenues as a % of Total Expenditures	75.67%	6.74%	5.27%	27.83%	26%
Total Local Funding Sources <sup>11</sup>	\$ 757,930	\$ 429,202	\$ 1,981,757	\$ 5,626,868	\$ 492,062,803
Local Funding Sources as a % of Total Expenditures	19.76%	33.46%	80.06%	39.31%	44%
<b>D. AMOUNTS REMITTED TO STATE OR OTHER UNITS</b>					
Remitted to State	\$ 1,291,992	\$ 270,794	\$ 136,302	\$ 1,699,500	\$ 102,181,725
Remitted to Other Governmental Units <sup>12</sup>	\$ 247,824	\$ -	\$ -	\$ 248,653	\$ 10,616,940
Remitted to Library	\$ 1,268,543	\$ 70,387	\$ -	\$ 1,338,930	\$ 14,051,657



STATE of MICHIGAN  
DISTRICT COURT - FIRST JUDICIAL DISTRICT  
106 East First Street - Monroe, Michigan 48161  
MONROE COUNTY

## 1st DISTRICT COURT ANNUAL REPORTS

REVENUES <sup>1</sup>	2012	2013	2014	2015	2016	2017	2018	2019	2020
Judicial Salary Reimbursement	\$137,712	\$137,172	\$137,172	\$137,172	\$137,172	\$137,172	\$128,379	\$ 137,172	\$ 137,172
Caseload Assistance Reimbursement	24,199	30,144	28,225	28,867	24,480	35,486	30,278	25,671	28,744
Juror Reimbursement	1,433	1,473	2,295	2,130	2,402	2,852	1,947	2,651	1,620
Fines, Costs and Fees	5,273,290	5,576,131	5,092,097	5,039,815	5,518,181	5,716,613	6,132,148	6,193,072	3,860,729
<b>Total Revenues</b>	<b>\$5,436,634</b>	<b>\$5,744,920</b>	<b>\$5,259,789</b>	<b>\$5,207,984</b>	<b>\$5,682,235</b>	<b>\$5,892,123</b>	<b>\$6,292,752</b>	<b>\$6,358,566</b>	<b>\$ 4,028,265</b>
g									
DISTRIBUTIONS <sup>2</sup>									
State of Michigan	\$1,175,835	\$1,291,680	\$1,192,698	\$1,161,239	\$1,262,716	\$1,291,992	\$1,416,943	\$ 1,392,170	\$ 920,511
<b>County of Monroe</b>	<b>2,789,656</b>	<b>2,913,691</b>	<b>2,752,578</b>	<b>2,676,201</b>	<b>2,973,158</b>	<b>3,078,125</b>	<b>3,174,401</b>	<b>3,224,699</b>	<b>2,109,498</b>
County Cities	54,066	76,713	73,733	75,204	63,365	58,282	67,302	67,065	46,416
County Townships	47,458	45,867	59,872	49,015	41,949	64,279	54,832	79,870	20,818
County Villages	96,688	82,841	81,123	106,337	97,442	120,581	181,334	198,230	138,507
County Library	1,272,931	1,334,128	1,099,785	1,139,988	1,243,605	1,278,864	1,397,940	1,396,532	792,515
<b>Total Distributions</b>	<b>\$5,436,634</b>	<b>\$5,744,920</b>	<b>\$5,259,789</b>	<b>\$5,207,984</b>	<b>\$5,682,235</b>	<b>\$5,892,123</b>	<b>\$6,292,752</b>	<b>\$6,358,566</b>	<b>\$ 4,028,265</b>
BUDGETED EXPENDITURES <sup>3</sup>									
<b># Full-Time Employees</b> (Including 3 Judges)	<b>40</b>	<b>41*</b>	<b>41</b>	<b>41</b>	<b>41</b>	<b>41</b>	<b>41</b>	<b>41</b>	<b>41</b>
<b>New Cases Filed</b>	<b>34,174</b>	<b>35,733</b>	<b>32,698</b>	<b>31,240</b>	<b>33,530</b>	<b>34,686</b>	<b>36,523</b>	<b>34,345</b>	<b>20,621</b>
<b>Court Funded Revenue to Expense Ratio</b>	<b>77.9%</b>	<b>78.7%</b>	<b>74.0%</b>	<b>71.9%</b>	<b>77.8%</b>	<b>80.2%</b>	<b>81.6%</b>	<b>88.0%</b>	<b>58.4%</b>

**Footnotes:**

<sup>1</sup> Reimbursement formula set by the State of Michigan as established by State law for Fines, Costs and Fees

<sup>2</sup> Monies collected by 1st District Court and disbursed among various government units as set by State law

<sup>3</sup> Budgeted Expenditures includes all 1st District Court Salaries, Wages & Benefits (including Judges) and Operating Expenses for the year

<sup>4</sup> Collections Coordinator position adopted as permanent, fulltime position by Monroe County BOC in 2013



**STATE of MICHIGAN**  
**DISTRICT COURT - FIRST JUDICIAL DISTRICT**  
**106 East First Street - Monroe, Michigan 48161**  
**MONROE COUNTY**

## **1st DISTRICT COURT ANNUAL REPORTS**

<b>REVENUES<sup>1</sup></b>	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>
Judicial Salary Reimbursement	\$137,172	\$137,172	\$137,172	\$137,172	\$137,172	\$137,172	\$137,172	\$137,172	\$137,172
Caseload Assistance Reimbursement	32,724	29,433	30,367	32,107	45,786	50,966	48,495	47,719	51,343
Juror Reimbursement	0	12,159	8,481	10,138	10,215	7,145	3,485	3,440	5,378
Fines, Costs and Fees	<u>5,194,127</u>	<u>5,812,749</u>	<u>5,875,708</u>	<u>6,398,373</u>	<u>6,360,867</u>	<u>6,178,026</u>	<u>5,737,384</u>	<u>5,601,557</u>	<u>4,707,184</u>
<b>Total Revenues</b>	<b>\$5,364,023</b>	<b>\$5,991,513</b>	<b>\$6,051,728</b>	<b>\$6,577,790</b>	<b>\$6,554,040</b>	<b>\$6,373,309</b>	<b>\$5,926,536</b>	<b>\$5,789,888</b>	<b>\$4,901,077</b>
<b>DISTRIBUTIONS<sup>2</sup></b>									
State of Michigan	\$1,210,256	\$1,529,503	\$1,582,400	\$1,496,308	\$1,486,485	\$1,426,139	\$1,328,888	\$1,260,154	\$1,104,298
<b>County of Monroe</b>	<b>2,994,875</b>	<b>3,222,118</b>	<b>3,251,909</b>	<b>3,346,592</b>	<b>3,354,054</b>	<b>3,269,731</b>	<b>3,150,307</b>	<b>3,009,889</b>	<b>2,766,568</b>
County Cities	133,739	136,168	124,614	104,732	86,610	72,458	65,000	67,052	57,337
County Townships	141,456	162,376	199,462	133,193	123,154	80,655	67,624	54,358	59,693
County Villages	40,847	23,708	29,906	42,425	50,187	70,132	92,630	93,662	92,364
County Library	<u>842,850</u>	<u>917,640</u>	<u>863,437</u>	<u>1,454,540</u>	<u>1,453,550</u>	<u>1,454,194</u>	<u>1,222,087</u>	<u>1,304,773</u>	<u>820,817</u>
<b>Total Distributions</b>	<b>\$5,364,023</b>	<b>\$5,991,513</b>	<b>\$6,051,728</b>	<b>\$6,577,790</b>	<b>\$6,554,040</b>	<b>\$6,373,309</b>	<b>\$5,926,536</b>	<b>\$5,789,888</b>	<b>\$4,901,077</b>
<b>BUDGETED EXPENDITURES<sup>3</sup></b>									
<b># Full-Time Employees (Excluding Judges)</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>44</b>	<b>44</b>	<b>39</b>	<b>37</b>
<b>New Cases Filed</b>	<b>48,209</b>	<b>45,606</b>	<b>48,247</b>	<b>46,825</b>	<b>44,991</b>	<b>43,187</b>	<b>39,508</b>	<b>37,104</b>	<b>31,858</b>
<b>County Revenue to Expense Ratio</b>	<b>102.7%</b>	<b>108.9%</b>	<b>103.7%</b>	<b>101.6%</b>	<b>89.4%</b>	<b>84.4%</b>	<b>87.5%</b>	<b>97.7%</b>	<b>81.1%</b>

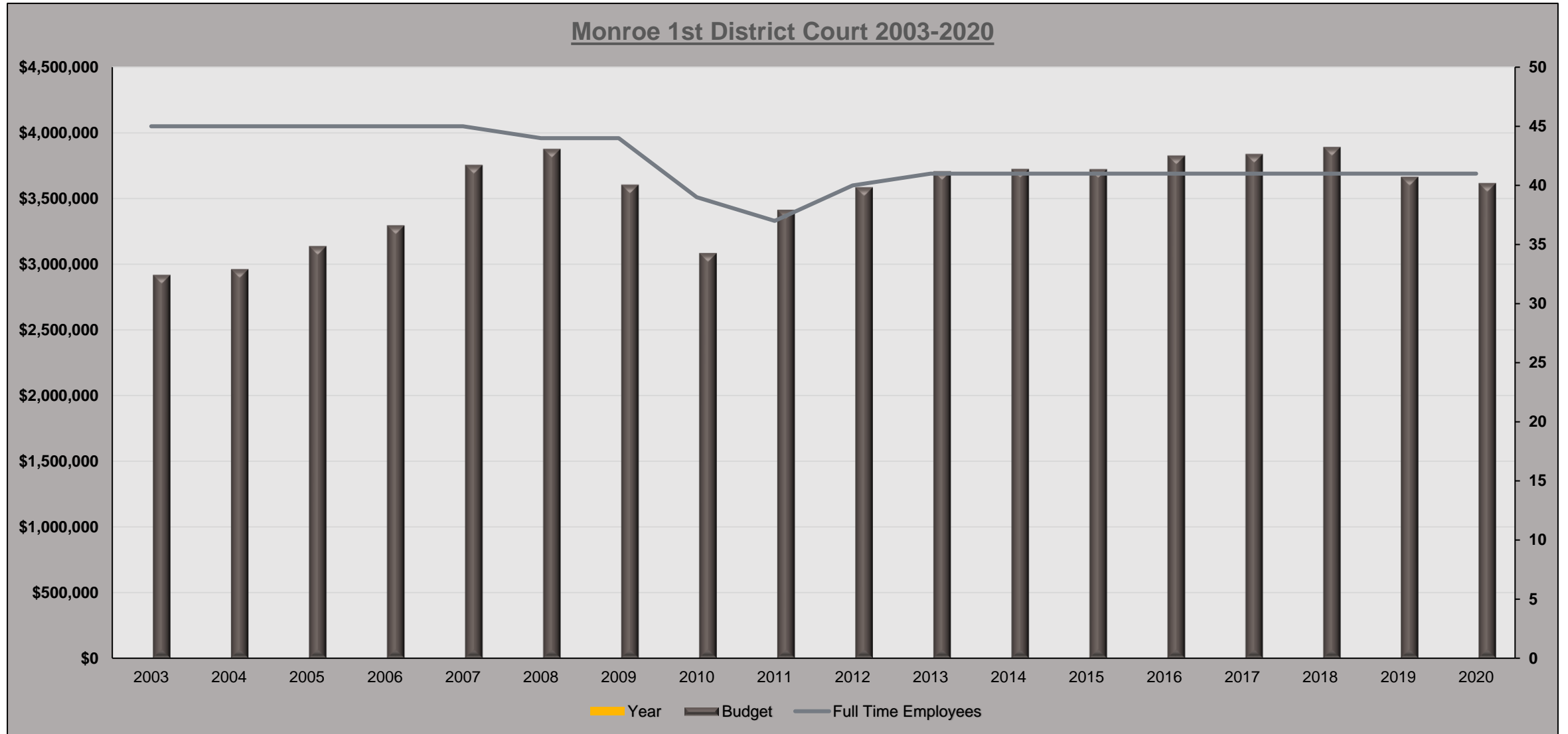
**Footnotes:**

<sup>1</sup> Reimbursement formula set by the State of Michigan as established by State law for Fines, Costs and Fees

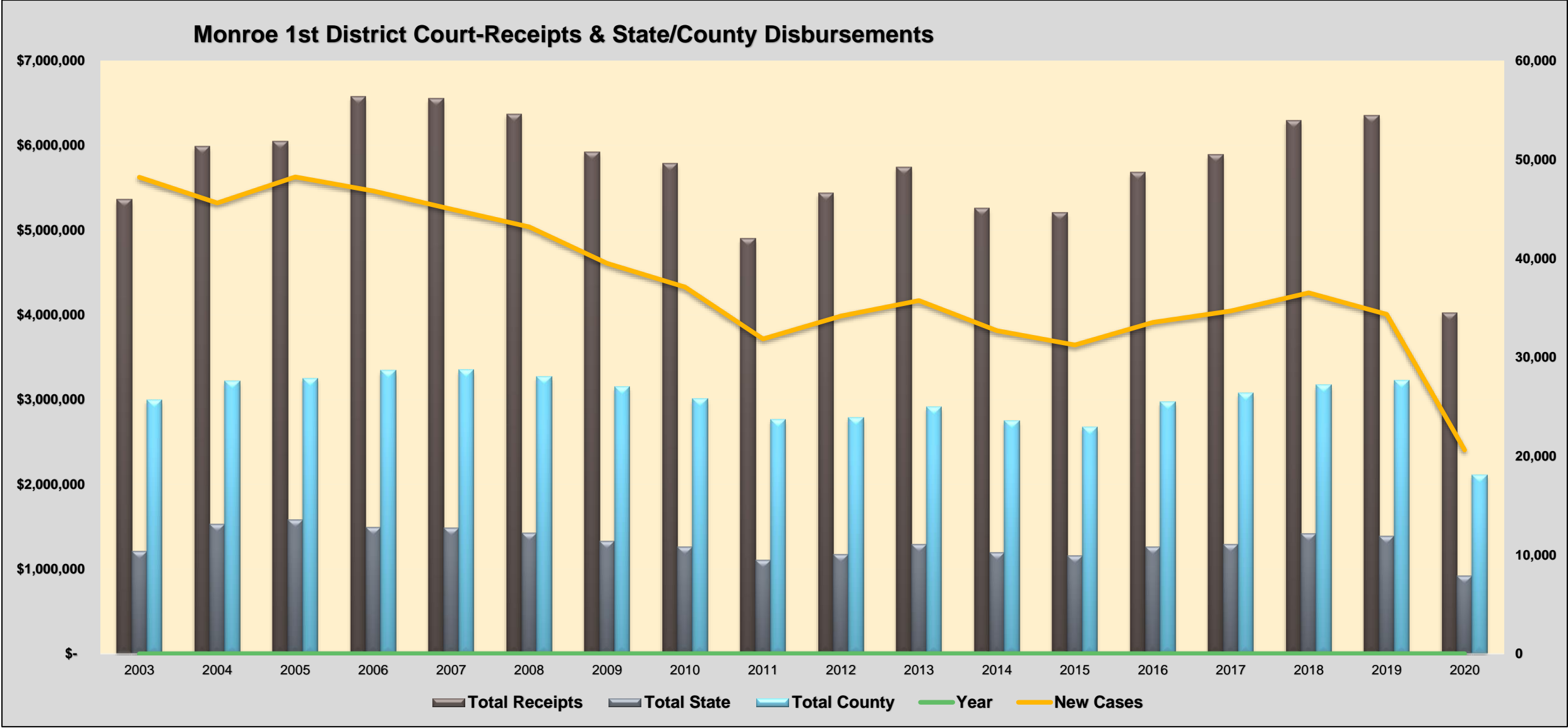
<sup>2</sup> Monies Collected by 1st District Court and Distributed among various government units as set by State law

<sup>3</sup> Budgeted Expenditures includes all 1st District Court Salaries, Wages & Benefits (including Judges) and Operating Expenses for the year

# 18 Years 1st District Court



# 1<sup>st</sup> District Court Receipts-State/County Disbursements



# FORWARD LOOKING STEPS

- ✓ Have to begin somewhere-HB 4447 is a good place to begin
- ✓ Solutions should be scalable and phased-in
- ✓ Other state's transformation took 10 years
- ✓ Agency with authority & accountability can start to implement recommendations of the TCFC.
- ✓ Changes are going to impact courts and others:
  - Should not be a deterrent to commence
  - Each year numbers change: revenues, expenses, case counts (see following slides)
- ✓ All five (5) recommendations of TCFC focus on improving court system





**Conclusion & Thank You!**