

**HOUSE APPROPRIATIONS SUBCOMMITTEE
HEARING
MAY 2, 2007
REMARKS OF CHIEF JUSTICE CLIFFORD W. TAYLOR**

GOOD MORNING, MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE. I APPRECIATE THE OPPORTUNITY TO SPEAK WITH YOU ABOUT THE JUDICIAL BRANCH BUDGET PROPOSAL FOR FY 2008. YOU OF COURSE KNOW CHIEF JUDGE BILL WHITBECK OF THE COURT OF APPEALS, WHO WILL ALSO BE SPEAKING WITH YOU THIS AFTERNOON. ALSO HERE ARE MEMBERS OF OUR STAFF TO HELP ME ANSWER ANY QUESTIONS YOU MAY HAVE AFTER I MAKE MY REMARKS.

AS YOU KNOW, ALTHOUGH THE JUDICIAL BRANCH'S RESPONSIBILITIES ARE GREAT, WE

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ACTUALLY REPRESENT A VERY SMALL SLICE OF THE STATE BUDGET – LESS THAN 1 PERCENT OF THE GROSS STATE BUDGET -- AND AN EVEN SMALLER SLICE OF THAT 1 PERCENT IS ACTUALLY UNDER OUR CONTROL. THE JUDICIARY CAN'T CONTROL ABOUT TWO-THIRDS OF ITS GENERAL FUND APPROPRIATION BECAUSE THOSE ITEMS ARE GOVERNED BY STATUTE. I REFER, OF COURSE, TO JUDICIAL SALARIES, PAYMENTS TO LOCAL GOVERNMENTS, AND PAYMENTS TO PROVIDERS OF CIVIL LEGAL SERVICES FOR THE INDIGENT. FOR EXAMPLE, THE LINE ITEM FOR JUDICIAL SALARIES REFLECTS THE STATUTORY CREATION OF FOUR NEW JUDGESHIPS, EFFECTIVE THE FIRST OF THIS YEAR, AND THE CONVERSION, ALSO BY STATUTE,

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OF SEVEN PART-TIME PROBATE JUDGES TO FULL-TIME AS OF JANUARY 2.

THE REMAINING ONE-THIRD SUPPORTS JUDICIAL BRANCH OPERATIONS: THE SUPREME COURT, COURT OF APPEALS, STATE COURT ADMINISTRATIVE OFFICE, AND THE OTHER JUDICIAL BRANCH AGENCIES.

RECENT PROPOSALS TO CUT MILLIONS FROM THE JUDICIARY'S BUDGET - THE \$2.9 MILLION-FOR FY 2007 IN SENATE BILL 220 AND THE \$3.3 MILLION FOR FY 2008 IN SENATE BILL 233 - WILL HAVE A DEVASTATING EFFECT ON JUDICIAL OPERATIONS. IT'S NOT A QUESTION OF WHETHER WE'LL HAVE LAYOFFS OR FURLOUGH DAYS FOR JUDICIAL

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BRANCH EMPLOYEES. THE ONLY QUESTION IS HOW MANY LAYOFFS, HOW MANY FURLOUGH DAYS.

GENERAL FUND MONEY HAS BEEN ALLOCATED FOR NEW JUDGESHIPS AT THE SAME TIME THAT OUR JUDICIAL BRANCH BUDGET IS BEING CUT. AS I'VE SAID VERY PUBLICLY IN RECENT DAYS, I DON'T THINK THAT MAKES SENSE UNLESS WE'RE ALSO CUTTING UNNECESSARY JUDGESHIPS. I DON'T THINK I'M JUMPING THE GUN AT ALL TO TELL YOU THAT OUR 2007 JUDICIAL RESOURCES REPORT WILL AGAIN RECOMMEND THE ELIMINATION OF A NUMBER OF TRIAL COURT JUDGESHIPS, AND I HOPE THE LEGISLATURE WILL TAKE THOSE RECOMMENDATIONS VERY SERIOUSLY.

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THE GOVERNOR'S PROPOSED BUDGET FOR FY 2008 INCLUDES A NET INCREASE OF \$601,400 FOR JUDICIAL OPERATIONS FUNDING, WHICH WE EXPECT TO USE TO COVER HIGHER COSTS FOR SUCH ITEMS AS HEALTH CARE AND RETIREMENT.

WE'VE TRIED TO DO OUR PART TO MEET THE DAUNTING ECONOMIC CHALLENGES OF THE LAST SEVERAL YEARS. WE'VE WORKED VERY HARD, NOT ONLY TO CUT COSTS AND DO MORE WITH LESS, BUT TO SEE WHERE THE JUDICIAL BRANCH MIGHT HELP THE STATE IDENTIFY AND BRING IN SOURCES OF REVENUE. OUR COLLECTIONS INITIATIVE, ABOUT WHICH MORE IN A MOMENT, IS ONE EXAMPLE.

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THE MATERIALS YOU HAVE BEFORE YOU ARE SELF-EXPLANATORY, BUT I WOULD LIKE TO EMPHASIZE A FEW POINTS.

FIRST, I WOULD POINT OUT THAT THE GOVERNOR'S RECOMMENDATION CALLS FOR A PROGRAM REDUCTION OF \$750,000. ALTHOUGH WE'D OBVIOUSLY PREFER NOT TO TAKE THAT CUT, WE ARE, AS I SAID BEFORE, COMMITTED TO DOING WHAT WE CAN TO EASE THE STATE THROUGH THE CURRENT FISCAL CRISIS. HOWEVER, THE \$2.6 MILLION OF CUTS THE SENATE HAS PROPOSED ADDING TO THIS WOULD SEVERELY HINDER JUDICIAL OPERATIONS.

SECOND, I WOULD LIKE TO TOUCH ON A TOPIC THAT I KNOW IS OF INTEREST TO ALL OF YOU AND

CERTAINLY IS A TOP PRIORITY FOR THE JUDICIARY, AND THAT IS COURT COLLECTIONS. AS YOU KNOW, MONEY COLLECTED BY THE COURTS SUPPORTS THE CRIME VICTIMS' RIGHTS FUND, LAW ENFORCEMENT, LOCAL GOVERNMENTS, AND LIBRARIES, TO NAME A FEW, AND WE ARE KEENLY AWARE OF OUR STATUTORY OBLIGATIONS. BUT WE ALSO VIEW EFFECTIVE COLLECTIONS AS ENHANCING THE COURTS' CREDIBILITY; IMPROVED ENFORCEMENT HEIGHTENS RESPECT FOR THE COURT AND ITS ORDERS. THE JUDICIAL BRANCH'S STATEWIDE COLLECTIONS STRATEGY HAS MULTIPLE PRONGS: EDUCATION, DATA COLLECTION, TRAINING, PILOT PROGRAMS, AND BEST PRACTICES. WE ARE FORTUNATE TO HAVE A

BLUE-RIBBON ADVISORY COMMITTEE, WITH JUDGES AND COURT STAFF FROM EVERY PART OF THE STATE, TO HELP US IMPLEMENT THIS STRATEGY, AND, IMPORTANTLY, PROMOTE IT WITH THEIR COLLEAGUES. WE PLAN TO HAVE ALL COURTS IMPLEMENTING AN APPROVED COLLECTIONS PROGRAM BY THE END OF 2009. ONE BIG STEP FORWARD IS THAT, AS OF 2006, WE BEGAN TO GET ANNUAL STANDARD RECEIVABLES AND COLLECTIONS REPORTS FROM MOST OF THE TRIAL COURTS, WHICH WILL HELP SCAO OVERSEE COLLECTIONS ON A STATEWIDE BASIS. THERE ARE SOME COURTS THAT HAVEN'T BEEN ABLE TO SUBMIT THEM BECAUSE OF TECHNOLOGICAL ISSUES, BUT WE'RE WORKING ON THAT. WE ARE

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ANALYZING OUR FIRST ANNUAL REPORTS NOW TO GET OUR BASELINE RATES.

THE COURT HAS BEEN VERY APPRECIATIVE OF THE FACT THAT DRUG COURT FUNDING HAS REMAINED SO STABLE OVER THE PAST SEVERAL YEARS. MICHIGAN IS CERTAINLY A NATIONAL LEADER IN THE DRUG COURT MOVEMENT, WITH 66 OPERATING AND 10 PLANNED DRUG COURTS. THIS IS REALLY AN EXCITING MOVEMENT, HOLDING AS IT DOES THE PROMISE OF REDUCING RECIDIVISM AND INCARCERATION COSTS. JUST BY WAY OF EXAMPLE, DRUG COURTS IN TWO COUNTIES, BARRY AND KALAMAZOO, SAVED NEARLY ONE MILLION DOLLARS IN AVOIDED COSTS, INCLUDING INCARCERATION, OVER THE TWO YEARS THAT

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THOSE COURTS WERE STUDIED. THE SAME STUDY, WHICH WAS PERFORMED BY A NATIONALLY RECOGNIZED RESEARCH FIRM, ALSO FOUND THAT THOSE COURTS REDUCED RECIDIVISM AND SUBSTANCE ABUSE. I SHOULD NOTE THAT, ALTHOUGH THE FEDERAL FY 2007 BUDGET HAS NOT YET BEEN FINALIZED, THE STATE'S OFFICE OF DRUG CONTROL POLICY ASSURES US THAT THEY ARE COMMITTED TO THE DRUG COURT PROGRAM AND EXPECTS TO CONTINUE TO PROVIDE US WITH \$1.8 MILLION OF FUNDING FOR OUR PRIORITY POPULATION DRUG COURTS. THIS FUNDING TARGETS NONVIOLENT PROBATION VIOLATORS AND OTHER NONVIOLENT FELONY OFFENDERS

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WHO, BASED ON LOCAL SENTENCING PRACTICES, ARE OTHERWISE BOUND FOR PRISON.

ANOTHER AREA WHERE WE'VE MADE GREAT STRIDES IS COURT TECHNOLOGY. IT'S BEEN SAID THAT TECHNOLOGY DOES NOT DRIVE CHANGE, BUT ENABLES IT, AND THE TRUTH OF THAT IS DEMONSTRATED BY THE JUDICIAL NETWORK PROJECT, WHICH IS DESCRIBED IN YOUR MATERIALS. AS OF DECEMBER 2006, OVER 90 PERCENT OF ALL DISPOSITIONS IN CRIMINAL CASES ARE REPORTED ELECTRONICALLY FROM THE COURTS TO THE MICHIGAN STATE POLICE AND SECRETARY OF STATE. THANKS IN LARGE PART TO THE JUDICIAL TECHNOLOGY IMPROVEMENT FUND. THIS INFORMATION IS BEING UPDATED IN REAL

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TIME, AS OPPOSED TO A WEEK OR MORE AFTER THE FACT. THIS IS OBVIOUSLY A TREMENDOUS ASSET FOR LAW ENFORCEMENT. ANOTHER VERY EXCITING PROJECT WITH IMPLICATIONS FOR LAW ENFORCEMENT IS THE STATEWIDE JUDICIAL DATA WAREHOUSE, WHICH HAS BEEN IMPLEMENTED IN 75 COUNTIES SO FAR AND INCLUDES ABOUT 20 MILLION CASE RECORDS. THROUGH A STATE POLICE PROJECT, THIS WAREHOUSE IS NOW AVAILABLE TO 4,000 LAW ENFORCEMENT USERS, WHO CAN BE ON THE ROAD AND STILL GET THE INFORMATION THEY NEED VIA BLACKBERRY, WIRELESS LAPTOP, OR SIMILAR DEVICES. I SHOULD POINT OUT THAT THIS DATA WAREHOUSE PROJECT, AND OTHERS DESCRIBED IN YOUR MATERIALS, IS

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FUNDED BY THE JUDICIAL TECHNOLOGY IMPROVEMENT FUND, WHICH IS ITSELF FUNDED BY CIVIL FILING FEES. AS AN ASIDE, YOU MAY RECALL THAT, AS PART OF THE FY 2004 BUDGET, THE JUDICIARY ADVOCATED INCREASES IN SOME CIVIL FILING FEES AND ASSESSMENTS AND COSTS IN CRIMINAL CASES; A PORTION OF THAT GOES INTO RESTRICTED REVENUE FUNDS WHICH ENABLE US TO PURSUE SUCH PROJECTS AS THE DATA WAREHOUSE.

OTHER PROJECTS INCLUDE A STATEWIDE TRIAL COURT CASE MANAGEMENT SYSTEM, WHICH MAY NOT SOUND TERRIBLY SPELLBINDING. BUT, CASE MANAGEMENT IS TRULY AT THE HEART OF EFFECTIVE COURT OPERATIONS, AND IT IS

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ESSENTIAL TO HAVE A SYSTEM THAT WORKS NOT ONLY FOR THE SHORT TERM, BUT WELL INTO THE FUTURE. OVER 70% OF COURT LOCATIONS USE SYSTEMS THAT WERE ORIGINALLY DEVELOPED 25 YEARS AGO, WHICH IS ABOUT A CENTURY IN COMPUTER YEARS, BY OUR JUDICIAL INFORMATION SYSTEMS DIVISION. I'M VERY PLEASED TO REPORT THAT WE'RE MOVING FORWARD WITH PLANS FOR A NEW SYSTEM WHICH WILL BE CENTRALLY HOSTED AND DISTRIBUTED TO COURTS THROUGHOUT THE STATE. WE ARE ALSO EXPANDING OUR ELECTRONIC TICKET PAYMENT PROJECT, WHICH HAS ENORMOUS IMPLICATIONS FOR THE PUBLIC'S EASE OF ACCESS TO THE JUSTICE SYSTEM.

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I WILL BE GLAD TO TAKE ANY QUESTIONS YOU
MAY HAVE FOR ME. THANK YOU AGAIN FOR THIS
OPPORTUNITY TO ADDRESS YOU.
