

**HOUSE APPROPRIATIONS SUBCOMMITTEE HEARING**  
**February 27, 2008**  
**REMARKS OF CHIEF JUSTICE CLIFFORD W. TAYLOR**

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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 2009. Chief Judge Pro Tem Christopher Murray of the Court of Appeals will also be speaking with you today. Also here are members of our staff to help me answer any questions you may have after I make my remarks.

The many budget reductions that have occurred since FY 2001 have certainly taken their toll on the state judicial branch. The effects were perhaps most obvious in the past fiscal year, when, due in part to the mid-year negative supplemental, we were faced with a \$2.9 million loss in general fund appropriations. That loss in turn led to a substantial number of unpaid furlough days, both voluntary and mandatory, as well as staff layoffs. This continues a trend of reductions in staffing for the judicial branch that left us with 12.7 percent fewer full-time equivalent employees going into FY 2008 than we had in FY 2001.

We recognize that more rough economic times lie ahead for the judiciary as for the rest of state government. Our response will be as it has been in past years: To make the best use of existing resources and provide the highest possible level of public service. This is a challenge. The judiciary represents 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. So our challenge is to work within the remaining one-third, which supports judicial branch operations: the Supreme Court, Court of Appeals, State Court Administrative Office, and the other judicial branch agencies.

The proposed FY 2009 Executive Budget increases the total general fund for the judiciary by \$1.9 million over the enacted FY 2008 appropriation. As you will see from the materials we've provided, this increase includes \$1.1 million for a new mental health court program, \$445,700 for judicial salaries, and \$391,000 for judicial operations. The judicial operations increase will be used to cover such items as health care and state retirement – both, as you know, becoming increasingly expensive.

As I've said very publicly on several occasions, I believe that any serious consideration of the state's finances should include a hard look at the number of state judgeships. Although I do not propose revisiting last year's discussion, which at the time generated much controversy and no hard results, in depth here today, I don't think we can avoid having that conversation in light of the continuing hardships of our state. I would hope we will not abandon the issue without a thoughtful discussion first.

The materials you have before you are self-explanatory, but I would like to emphasize a few points.

First, I would draw your attention to a very exciting project, and that is the development of a new case management system for the state's trial courts. This will replace the current system supported by the State Court Administrative Office's Judicial Information Systems division that is used by 74 percent of the state's trial courts to manage their operations. This new system is currently in its first phase of development, and it will be a huge technological step forward for Michigan courts. Software development is scheduled to be completed and implemented in pilot courts around the end of 2011. When this project is finished, courts will have a system that will take full advantage of modern technology, including the power of the Internet, with a centrally-hosted system and enhanced business capabilities and reporting tools. This is part of a general movement toward making court information more easily available on a statewide basis. For example, over 95 percent of all criminal dispositions are now reported electronically from courts to the state police through the judicial network project. Electronic reporting makes for much timelier updating of criminal histories, with corresponding benefits for law enforcement. Similarly, the judicial data warehouse, another JIS project, provides a statewide repository of pending and closed cases throughout the state. This data warehouse has the potential to assist us in areas ranging from homeland security to local law enforcement to better court collections.

That last topic is, of course, of interest to all of us who are charged with enforcing court sanctions, including financial ones. 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 in the judiciary are keenly aware of these 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 collections, 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, more importantly, promote it with their colleagues. We plan to have all courts implementing an approved collections program by the end of 2009.

The Supreme 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 80 drug courts, two of which are in the planning stages. A recent SCAO-commissioned study indicates that drug courts can reduce 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 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 our drug courts appropriation is premised in part on a federal appropriation of \$1.8 million from the Byrne Memorial Justice Assistance grant program.

This funding targets nonviolent probation violators and other nonviolent felony offenders who, based on local sentencing practices, are otherwise bound for prison. But whether Michigan will actually receive this grant money is in doubt, as the omnibus appropriation bill for federal FY 2008 cuts this Byrne funding by 67 percent. The loss of this funding source would pose a serious setback for our state drug courts.

Finally, I would note that the FY 2009 executive recommendation includes \$1.1 million in the judiciary budget for a pilot mental health court project. Studies indicate that jail inmates have a higher incidence of mental illness than in the general population, and that mental illness will lead to repeat offenses if not treated. Mental health courts attempt to break this cycle through a court-supervised program of treatment backed by rewards and sanctions. This pilot project will be the first of its kind in Michigan, and we are hoping that it offers the same potential for reducing recidivism and incarceration costs as drug courts have.

I will be glad to take any questions you may have for me. Thank you again for this opportunity to address you.

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