

MEMORANDUM



DATE: January 11, 2012
TO: All Interested Parties
FROM: Erik Jonasson, Fiscal Analyst and Robin Risko, Senior Fiscal Analyst
RE: Justice System Fund Overview

The Justice System Fund (JSF) was created by Public Act 97 of 2003 (MCL 600.181) to simplify the assessment, collection, and distribution of monetary obligations imposed in criminal cases. The revenue from the JSF is distributed according to a percentage formula outlined in the Revised Judicature Act (RJA), Public Act 236 of 1961.

Revenue Sources

JSF revenue comes from various assessments related to court penalties. When a person is found guilty of a civil infraction, misdemeanor, or felony, the individual is required to pay a series of fines determined by their offense. Included in these penalties are fines that are transmitted to the state treasury for use in the JSF. The RJA specifies the assessment collected for each type of offense. The current amount collected for each offense is outlined below:

Figure 1 - Revenue Sources for JSF

Category of Offense	Fine	Statute
Traffic Civil Infractions	\$40	Justice system assessment – MCL 257.907, 600.8381
Non-Traffic Civil Infractions	\$10	Justice system assessment – MCL 117.4q, 600.8827, 600.8727
Misdemeanors: Simple (no Crime Victims Rights)	\$48	Minimum state costs – MCL 600.8381
Misdemeanors: Serious or Specified (CVR)	\$53	Minimum state costs – MCL 769.1j
Felonies	\$68	Minimum state costs – MCL 769.1j(1), 769.1k(1)(a), 771.3(1)(g)

Distribution of JSF Funds

The table below shows the distribution of JSF funds in FY 2010-11, according to numbers reported by the State Court Administrative Office (SCAO). The JSF is distributed to a variety of funds administered by the Departments of State Police, Corrections, Human Services, and the Judiciary.

Under the statutory formula for the JSF, the Secondary Road Patrol and Training Fund receives \$10 per paid traffic civil infraction, and the remaining balance of the fund is distributed according to statutory percentages. For FY 2010-11, these distributions totaled \$56.9 million. This is a reduction from FY 2009-10 distributions, which totaled \$62.0 million. This reduction is due to decreased case filings, which result in a reduced number of paid offenses contributing revenue to the JSF. The remainder of this memorandum provides descriptions of each fund that receives revenue from the JSF.

Figure 2 - JSF Distribution FY 2010-11

Funding Recipients	Distribution Rate	Amount Distributed (Millions)
State Police		
Secondary Road Patrol	\$10/Paid Traffic Civil Infraction	\$10.2
Highway Safety Fund	23.66%	\$11.0
Michigan Justice Training Fund	11.84%	\$5.5
State Forensic Lab Fund	5.35%	\$2.5
Corrections		
Jail Reimbursement Program	11.84%	\$5.5
Human Services		
Sexual Assault Victim's Medical Forensic Intervention and Treatment Fund	2.65%	\$1.2
Children's Advocacy Center Fund	1.85%	\$0.9
Legislative Retirement Fund	1.10%	\$0.5
Judiciary		
Drug Treatment Courts	2.73%	\$1.3
State Court Fund	12.69%	\$5.9
Court Equity Fund	24.33%	\$11.4
State Court Administrative Office	0.98%	\$0.5
Treasury	0.98%	\$0.5
Total		\$56.9

Source: State Court Administrative Office

Secondary Road Patrol and Training Fund

The Secondary Road Patrol and Training Fund was created by Public Act 416 of 1978 (MCL 257.629e). This fund provides grants to counties to be used for the patrol of county roads. The program is managed by the Office of Highway Safety Planning (OHSP) in the Department of State Police.

Unlike other funds that receive JSF distributions, the Secondary Road Patrol and Training Fund does not receive a percentage of the overall JSF balance. Instead, this fund receives \$10 from every paid \$40 assessment resulting from a traffic citation. In FY 2010-11, this fund received \$10.2 million of the JSF's \$56.9 million balance.

Revenue deposited in the Secondary Road Patrol and Training Fund is used for two purposes: Secondary Road Patrol grants to counties and reimbursement of training costs for local law enforcement agencies. Secondary Road Patrol grant funds are awarded to county sheriffs' offices for hiring additional personnel, purchasing and maintaining equipment, enforcing laws in state and county parks, motor vehicle inspection programs, and traffic safety education and information programs. A total of 160.4 Road Patrol Deputies were funded by these grants in 2010. This number peaked in 2002 with 192.7 deputies and has declined every year since.

Revenue not used for these grants is reimbursed to local law enforcement agencies for a variety of training programs they provide. These programs include: Standardized Field Sobriety Testing, Advanced Roadside Impaired Driving Enforcement, Child Passenger Safety Technician Certification, and Youth Alcohol Enforcement Programs.

Highway Safety Fund

The Highway Safety Fund (MCL 257.629e) receives 23.66% of the JSF's balance and is used to supplement funds used by the Department of State Police for employment of and support costs related to at-post troopers, who provide law enforcement services in criminal and traffic-related situations across the state.

The JSF distributed \$11.0 million of revenue to the Highway Safety Fund in FY 2010-11, providing about 7.8% of the at-post troopers funding. Other major funding sources for at-post troopers are the Traffic Law Enforcement and Safety Fund (19.9%) and general fund revenue (65.4%).

Court Equity Fund

The Court Equity Fund (CEF) was established by Public Act 374 of 1996 (MCL 600.151b) to provide funding assistance for trial court operations. . Of the CEF's \$54.0 million balance in FY 2010-11, \$11.4 million was provided directly by the JSF. Other FY 2010-11 sources of funding included the Civil Filing Fee Fund (\$3.1 million), the State Court Fund (\$24.3 million), the Juror Reimbursement Compensation Fund (\$2.6 million), the Court Fee Fund (\$2.2 million), and the general fund (\$10.4 million).

In FY 2010-11, general fund revenue appropriated to the Court Equity Fund was decreased by \$2.6 million. A transfer from the Juror Compensation Reimbursement Fund was authorized by the Legislature in order to offset this general fund reduction, and will not be part of future transfers into the Court Equity Fund (barring any future legislation). The remaining funds are provided to the Court Equity Fund by formulas in statute or based on general fund appropriations annually approved by the Legislature.

The fund is disbursed quarterly within the state fiscal year to county governments, based on a statutory formula that establishes each county's share. The formula includes two factors: the caseload of circuit and probate courts and the number of judgeships in each county. Caseload takes into account new cases filed for the most recent three years in a county's circuit and probate courts and compares the county's proportion of these filings for the three years to the total filings for the state. The second factor compares the number of judgeships within the county to total judgeships for the entire state.

State Court Fund

The State Court Fund was established by Public Act 189 of 1993 (MCL 600.151a). The JSF provides 12.69% of its balance to the State Court fund, which also receives revenue from the Civil Filing Fee Fund, service fees on child support payments, and other fees from trial courts. In total, this fund collected \$31.5 million in 2011, with \$5.9 million of these funds originating from the JSF.

These payments are distributed to three sources: the CEF, Indigent Civil Legal Assistance, and the SCAO. The Court Equity Fund receives the majority of these distributions, claiming the first \$1.6 million, as well as 76% of the remaining balance. This totaled \$24.3 million in FY 2010-11. Indigent Civil Legal Assistance received 23% of the remaining balance (\$6.9 million) and SCAO received 1% (\$300,000) for oversight and monitoring of these funds.

Michigan Justice Training Fund

The Michigan Justice Training Fund was established by Public Act 302 of 1982 (MCL 18.425). Under Executive Order 2001-5, the Michigan Commission on Law Enforcement Standards (MCOLES) is responsible for the administration of the fund. The Michigan Justice Training Fund receives 11.84% of the JSF's balance. This totaled \$5.5 million in FY 2010-11. The Commission annually distributes 60% of the Justice Training Fund to eligible law enforcement agencies, and utilizes the remainder of the funds to provide competitive grants.

In 2010, the Michigan Justice Training Fund provided \$3.6 million to law enforcement agencies across Michigan through the Law Enforcement Distribution Program. These funds are distributed to 494 agencies twice per year on a per-capita basis, with funding provided to every eligible agency employing three or more officers. The fall per-capita amount distributed was \$94.64 and the spring per capita amount was \$93.79. These funds are used to support direct costs of in-service criminal justice training provided to police officers.

The remaining funds, less administration costs, are awarded through Justice Training Grants. The Michigan Justice Training fund awarded 32 grants in 2010, totaling \$2.0 million. These grants are distributed to programs according to their quality and cost-effectiveness, as well as the criminal justice needs of the state. Grant recipients included training programs related to adjudication, criminal defense, law enforcement, and prosecution. The remaining \$337,000 went towards administrative costs, including workshops and providing information for potential grant applicants.

Jail Reimbursement Program Fund

The Jail Reimbursement Program (MCL 769.35) receives 11.84% of the funds collected by the JSF. The money in the Jail Reimbursement Program Fund is used by the Department of Corrections to reimburse counties for housing and custody of convicted felons. Specifically, these funds are provided for housing eligible felons in county jails when these felons may have otherwise been housed in state prisons. The Jail Reimbursement Program Fund reimburses the county at a rate of between \$35.00 and \$60.00 per day for up to 12 months.

For FY 2010-11, funds from the JSF for this purpose totaled \$5.5 million. These funds are directed entirely to the County Jail Reimbursement Program, which receives an additional \$11.1 million from the general fund.

Drug Treatment Court Fund

The Drug Treatment Court Fund (MCL 600.185) receives 2.73% of JSF funds, equating to about \$1.3 million in revenue for FY 2010-11. This revenue is included in the Drug Treatment Courts line item in the Judiciary budget, which provides grants to local drug courts. The Drug Treatment Courts Fund accounts for about 27% of the overall funds appropriated to the Drug Treatment Courts line item, which is also funded by inter-departmental grants (39%), federal funds (11%), and the general fund (23%).

The RJA defines drug treatment courts as "...a court supervised treatment program for individuals who abuse or are dependent upon any controlled substance or alcohol." These courts are specially designed to reduce recidivism and substance abuse among nonviolent substance-abusing offenders and to increase the offenders' likelihood of successful habilitation. Drug Courts require offenders to

attend counseling sessions, receive regular drug or sobriety tests, and meet regularly with drug court judges and administrators. There are currently 84 drug courts in Michigan, operating in 40 counties.

Forensic Laboratory Fund

Public Act 35 of 1994 created the Forensic Laboratory Fund (MCL 12.201-212) to provide a means of funding laboratory costs incurred by state and local units of government. Originally, revenue for this fund was generated through a \$150 assessment on defendants convicted of criminal sexual conduct and defendants convicted of cases where a forensic test was performed. Public Act 70 of 2003 consolidated several fees relating to criminal offenses, including this forensic lab fee, and required all of these fees to be deposited into the JSF. The Forensic Laboratory Fund receives 5.35% of the JSF's balance, which totaled \$2.5 million for FY 2010-11.

Forty-five percent of the Forensic Laboratory Fund (approximately \$1.1 million in FY 2010-11) is distributed to the Department of State Police for costs related to DNA profiling and retention of the state's DNA database. The remaining 55% of funds (approximately \$1.4 million) are distributed to local forensic labs and the State Police forensic sciences division. Michigan funds seven forensic science labs: in Bridgeport, Grand Rapids, Grayling, Lansing, Marquette, Northville, and Sterling Heights.

Children's Advocacy Center Fund

The Children's Advocacy Center Fund was created by Public Act 544 of 2008 (MCL 722.1043). The fund receives the entirety of its revenue from 1.85% of the JSF's revenue, which totaled approximately \$0.9 million in FY 2010-11.

The Children's Advocacy Center Fund provides grants to children's advocacy centers across Michigan, which provide forensic services for child sexual assault cases. These funds were held for the first two years after the fund's creation, and grants were first awarded in July 2011. These grants were distributed to 17 accredited children's advocacy centers, awarding an average of \$57,000 to each program. Additional funds are set aside for accreditation training for other child advocacy centers. Several additional children's advocacy centers are in the process of receiving accreditation, which could lead to an increase in grant applicants in future years.

Legislative Retirement System

The Michigan Legislative Retirement System receives 1.1% of the balance of the JSF (\$500,000 in FY 2010-11), which accounts for about one quarter of the system's funding (the remaining amount is provided by the general fund and 1.5% of the Civil Filing Fee Fund).

The Legislative Retirement system is contained within the legislative branch, where it is administered by an 11-member board of current and former members of the legislature, as provided for by Public Act 261 of 1957 (MCL 38.1001-1080). Investment services are provided by private investment managers. The revenue is used primarily to provide health care and other benefits to system members and their spouses, dependents, survivors, and beneficiaries.

State Court Administrative Office and Treasury

The SCAO and the Department of Treasury each receive 0.98% of the JSF's revenue for administrative costs. Each received approximately \$500,000 in FY 2010-11, a total of \$1.0 million, which was used for administration, monitoring, and audit of fund collections