

DATE: January 19, 2018
TO: All Interested Parties
FROM: Robin R. 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. 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 the 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 in **Figure 1** below:

Figure 1 – Revenue Sources for Justice System Fund

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(13), 600.8827(4), 600.8727(4)
Misdemeanors: Simple (no crime victims)	\$50	Minimum state costs – MCL 600.8381(4)
Misdemeanors: Serious or Specified (CVR)	\$50	Minimum state costs – MCL 769.1j(1)
Felonies	\$68	Minimum state costs – MCL 769.1j(1), 769.1k(1)(a), 771.3(1)(g)
DNA Profile Assessment	\$39	Justice system assessment – MCL 28.176(8)(b), 712A.18k(7)(b), 750.520m(8)(b)

Distribution of JSF Funds

Figure 2 shows the distribution of JSF funds in FY 2016-17, according to numbers reported by the State Court Administrative Office. The JSF is distributed to a variety of funds administered by the Departments of State Police, Corrections, Health and Human Services, and Treasury and Judiciary and the Legislature.

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 2016-17, these distributions totaled \$51.0 million. This is a \$3.8 million decrease from FY 2015-16 distributions, which totaled \$54.8 million.

The remainder of this memorandum provides descriptions of each program and fund source that receives revenue from the JSF.

Figure 2 – FY 2016-17 Justice System Fund Distribution

Funding Recipients	Distribution Rate	Amount Distributed (Millions)
State Police		
Secondary Road Patrol and Training Fund	\$10/Paid Traffic Civil Infraction	\$9.0
Highway Safety Fund	23.66%	9.9
Michigan Justice Training Fund	11.84%	5.0
State Forensic Laboratory Fund/DNA	5.35%	2.2
Corrections		
Jail Reimbursement Program Fund	11.84%	5.0
Health and Human Services		
Sexual Assault Victim's Medical Forensic Intervention and Treatment Fund	2.65%	1.2
Children's Advocacy Center Fund	1.85%	0.8
Legislative Retirement System	1.10%	0.5
Judiciary		
Drug Treatment Court Fund	2.73%	1.1
State Court Fund	12.69%	5.3
Court Equity Fund	24.33%	10.2
State Court Administrative Office	0.98%	0.4
Treasury	0.98%	0.4
Total	100.0%	\$51.0

Source: State Court Administrative Office

Secondary Road Patrol and Training Fund

The Secondary Road Patrol and Training Fund was created by Public Act 300 of 1949, MCL 257.629e. The 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 within 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, the fund receives \$10 from every paid \$40 assessment resulting from a traffic citation. In FY 2016-17, the fund received \$9.0 million of the JSF's \$51.0 million balance.

Prior to FY 2014-15, revenue deposited in the Secondary Road Patrol and Training Fund was used for two purposes: Secondary Road Patrol grants to counties, and reimbursement of training costs for local law enforcement agencies. Beginning in FY 2014-15, reimbursements to local law enforcement

agencies for training costs were eliminated primarily due to an increase in the Michigan Commission on Law Enforcement Standards' (MCOLES) administrative expenses.

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, selective motor vehicle inspection programs, and traffic safety education and information programs. A total of 122.1 road patrol deputies were funded by these grants in FY 2016-17. This number peaked in FY 2001-02 with 192.7 deputies and has declined every year since.

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 at-post troopers and the associated support costs. At-post troopers provide law enforcement services in criminal and traffic-related situations across the state.

The JSF distributed \$9.9 million of revenue to the Highway Safety Fund in FY 2016-17, providing a portion of the total funding for at-post troopers. Other major funding sources for at-post troopers are the Traffic Law Enforcement and Safety Fund and state General Fund revenue.

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, MCOLES is responsible for administration of the fund. The Michigan Justice Training Fund receives 11.84% of the JSF's balance. This totaled \$5.0 million in FY 2016-17. The Commission annually distributes 60% of the Justice Training Fund to eligible law enforcement agencies, and utilizes the remaining 40% of the funds to provide competitive grants, after administration costs have been deducted.

In 2017, the Michigan Justice Training Fund provided \$3.0 million to law enforcement agencies across Michigan through the Law Enforcement Distribution Program. These funds were distributed to a total of 446 agencies on a per-capita basis, with funding provided to every eligible agency employing three or more officers. The fall per-capita amount distributed was \$95.81 and the spring per capita amount was \$84.55. These funds are used to support direct costs of in-service criminal justice training provided to police officers.

The remaining funds, less administrative costs, are awarded through Justice Training Grants. The Michigan Justice Training fund awarded 18 grants in FY 2016-17, totaling \$929,107. These grants are distributed to programs according to their quality and cost-effectiveness, as well as to how they address criminal justice needs of the state. Grant recipients include training programs related to adjudication, criminal defense, law enforcement, and prosecution. The remaining funding is used for administrative costs, including workshops and providing information to potential grant applicants.

State Forensic Laboratory Fund/DNA

Public Act 35 of 1994 created the State Forensic Laboratory Fund, MCL 12.201 to 12.212, to provide a way for 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 in cases which required a forensic test to be performed. Public Act

70 of 2003 consolidated several fees relating to criminal offenses, including the forensic lab fee, and required all of the fees to be deposited into the JSF. The State Forensic Laboratory Fund receives 5.35% of the JSF's balance, which totaled \$2.2 million in FY 2016-17.

Forty-five percent of the State Forensic Laboratory Fund, or approximately \$1.0 million in FY 2016-17, 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, or approximately \$1.2 million in FY 2016-17, are distributed to local forensic labs and to the Department of State Police Forensic Sciences division, which operates eight forensic science laboratories across the state. Laboratories are located in Bridgeport, Detroit, Grand Rapids, Grayling, Lansing, Marquette, Northville, and Sterling Heights.

Jail Reimbursement Program Fund

The County 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 convicted felons. Specifically, these funds are provided for housing eligible felons in county jails when these felons may otherwise have been housed in state prisons. In FY 2016-17, the Jail Reimbursement Program Fund reimbursed counties at a rate of between \$40.00 and \$65.00 per day depending on the sentencing guidelines scoring of the felons' offenses. Those per diem rates were increased from between \$35.00 and \$60.00 per day beginning in FY 2016-17.

Funds from the JSF totaled \$5.0 million in FY 2016-17 for the County Jail Reimbursement Program. The program also was appropriated \$9.2 million from the state General Fund.

Sexual Assault Victims' Medical Forensic Intervention and Treatment Fund

Created by Public Act 546 of 2008, MCL 400.1533, the Sexual Assault Victims' Medical Forensic Intervention and Treatment Fund is used to fund entities and organizations that provide services and examinations to victims of sexual assaults, as well as rape prevention services. Services include 24-hour crisis hotline, individual and group counseling, emergency response, advocacy, and forensic examinations.

The fund receives 2.65% of the JSF's balance. For FY 2016-17, funds from the JSF totaled \$1.2 million.

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 \$800,000 in FY 2016-17.

The Children's Advocacy Center Fund provides grants to children's advocacy centers across Michigan, which provide forensic, investigative, assessment, counseling, support, and educational services to victims of child sexual assault and to their non-offending family members. These funds were held for the first two years after the fund's creation, and grants were first awarded in July 2011. In FY 2016-17, grants were distributed to 29 accredited children's advocacy centers, in 29 counties, with programs being awarded an average of \$29,000. 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 will lead to an increase in the number of grant applicants in future years.

Legislative Retirement System

The Michigan Legislative Retirement System receives 1.1% of the balance of the JSF, roughly \$500,000 in FY 2016-17, which accounts for about 11% of the retirement 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 former members of the legislature, as provided for by Public Act 261 of 1957, MCL 38.1001 to 38.1080. Investment services are provided by private investment managers and financial consultants. The revenue is used primarily to provide health care and other benefits to system members and their spouses, dependents, survivors, and beneficiaries.

Drug Treatment Court Fund

The Drug Treatment Court Fund, MCL 600.185, receives 2.73% of JSF funds, equating to about \$1.1 million in revenue for FY 2016-17. This revenue is included in the Drug Treatment Courts line item in the Judiciary budget, which provides grants to local drug and DWI/sobriety courts. In FY 2016-17, the Drug Treatment Court Fund accounted for about 17% of the overall funds appropriated to the Drug Treatment Courts line item, which is also funded by inter-departmental grants (13%), federal funds (20%), and state General Fund (50%).

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 rehabilitation. Drug courts require offenders to attend counseling sessions, receive regular drug or sobriety tests, and meet regularly with drug court judges and administrators. As of December 2017, there were 127 drug courts in operating in Michigan. All but eight counties in the state have some sort of drug, DWI, hybrid, family, or juvenile court.

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 (e.g., motion fees). In total, this fund collected \$29.0 million in FY 2016-17, with \$5.3 million of these funds originating from the JSF.

Payments from the fund are made every three months and are distributed to three sources: the Court Equity Fund, Indigent Civil Legal Assistance, and the State Court Administrative Office. The Court Equity Fund receives the majority of these distributions, claiming the first \$1.6 million, as well as 76% of the remaining balance, to be used for operational expenses of trial courts. This totaled \$22.4 million in FY 2016-17.

Indigent Civil Legal Assistance receives 23% of the remaining balance, totaling \$6.3 million in FY 2016-17. Funding provides legal assistance and representation to indigent people involved in civil litigation. The State Court Administrative Office receives the remaining 1% of funds, approximately \$300,000 in FY 2016-17, for oversight, data collection, and court management assistance.

Court Equity Fund

The Court Equity Fund (CEF) was established by Public Act 374 of 1996, MCL 600.151b, to provide funding assistance to counties for trial court operations. Of the CEF's \$47.9 million balance in FY 2016-17, \$10.2 was provided directly by the JSF. Other FY 2016-17 sources of revenue included the Civil Filing Fee Fund (\$2.7 million), the State Court Fund (\$22.4 million), the Court Fee Fund (\$2.2 million), and the state General Fund (\$10.4 million).

The fund is disbursed quarterly to county governments based on a statutory formula that establishes each county's share. The formula includes two factors: the caseload activity of the circuit and probate courts, and the number of judgeships in each county. The first factor, caseload activity, 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 to the total filings for the state. The second factor compares the number of circuit, probate, and district court judges for each county to the total number of judges statewide.

State Court Administrative Office and Treasury

The State Court Administrative Office and the Department of Treasury each receive 0.98% of the JSF's revenue for administrative costs. Each received approximately \$400,000 in FY 2016-17, which was used for administration, monitoring, and auditing of fund collections.