

INCREASE COMPENSATION FOR JURORS

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House Bill 4209 as enacted
Public Act 51 of 2017

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House Bill 4210 as enacted
Public Act 52 of 2017
Sponsor: Rep. Peter J. Lucido

House Committee: Law and Justice
Senate Committee: Judiciary
Complete to 1-10-18

BRIEF SUMMARY: House Bill 4209 increases juror compensation, but only if sufficient money is available in the Juror Compensation Reimbursement Fund (JCRF). The bill also increases mileage reimbursement to 20 cents per mile.

House Bill 4210 does the following:

- Allocates money from the JCRF to the State Court Administrative Office (SCAO) to provide jury management software and support and maintenance to trial courts.
- Allocates money from the JCRF for a staff position within SCAO to provide trial courts with technical assistance regarding jury management.
- Specifies that the money spent on the above provisions cannot diminish the amount reimbursed to court funding units for juror compensation and mileage reimbursement.
- Removes the cap on semiannual reimbursements made to SCAO for costs associated with the administration of juror compensation reimbursements and includes reimbursement for the jury management software and technical assistance to trial courts.
- Clarifies that reimbursement to a court funding unit is only for the amount expended that exceeds the pre-2003 juror compensation and mileage reimbursement levels.
- Defines “juror compensation”.

The bills took effect September 13, 2017.

FISCAL IMPACT: House Bills 4209 and 4210 would have an indeterminate fiscal impact on the state. The fiscal impact of HB 4209 would depend on the number of first and subsequent full and half days served by jurors. Had the bill been in effect in FY 2015-16, the additional cost to the state would have been \$833,747, as explained below in *Fiscal Information*. In addition, the increase in the mileage reimbursement for a juror will also increase costs to the state.

THE APPARENT PROBLEM:

Serving on a jury is a civic duty, and one that many citizens take seriously. However, compensation rates for jurors have not been increased since October 1, 2003. In some jurisdictions, the current rates do not even cover the cost to park a car for the day, let alone covering lost wages, child care, and lunch while at the courthouse. The reimbursement for travel, which is based on the number of miles to and from the juror’s home and the courthouse,

has also not been increased for some time. Some feel that the sacrifice made by citizens who report to jury duty should be compensated fairly. Though never intended to reimburse a juror for all out-of-pocket expenses incurred, compensation should at least be enough to cover parking and lunch costs. Some also feel that court operations regarding issuing juror notices and compensation for jurors could be more efficient if trial courts received more assistance from the State Court Administrative Office.

THE CONTENT OF THE BILLS:

House Bill 4209 amends Section 1344 of the Revised Judicature Act. Since October 1, 2003, the minimum compensation for jurors has been \$25 per day and \$12.50 per half day for the first day of actual attendance at the court. For each subsequent day or half day of actual attendance, the minimum compensation has been \$40 per day and \$20 per half day.

Under the bill, beginning April 1, 2018, and every subsequent fiscal year, compensation for jurors will increase to \$30 for the first day of actual attendance at the court and \$15 for the first half day. For each subsequent day of actual attendance, the compensation will be \$45, and for each subsequent half day, \$22.50. However, this increase only occurs if, as of the end of the two most recent fiscal years, the Juror Compensation Reimbursement Fund (JCRF) is determined to have an available amount exceeding \$2 million. This determination is to be made by the state court administrator, at the direction of the state supreme court, and confirmed by the state treasurer.

(Presumably, if the increase is not triggered, compensation levels will remain at or fall back to the current compensation levels of \$25 per first day and \$40 per subsequent day of attendance.)

Jurors are also reimbursed for traveling expenses, determined by the county board of commissioners, at not less than 10 cents per mile for round-trip travel between the juror's home and the court. House Bill 4209 increases the mileage reimbursement to not less than 20 cents per mile beginning April 1, 2018. This increase is not dependent upon the availability of funds in the JCRF.

MCL 600.1344

House Bill 4210 amends Section 151e of the Revised Judicature Act (RJA), which provides the statutory framework for distribution of funds from the Juror Compensation Reimbursement Fund. Under the RJA, court "funding units" pay for juror compensation, with counties paying for the county-based courts (the circuit court, the probate court, and first class district courts), and cities or townships paying for their second and third class district courts. When juror compensation rates were last increased in 2003 by Public Act 739 of 2002, the JCRF and a mechanism to fund it were created to reimburse court funding units for the difference from the statutory minimum they had been paying jurors (at least \$7.50 per half-day attendance and \$15 for full-day attendance) and the juror compensation rate provided by Public Act 739 (at least \$25 per initial full day and \$12.50 per half day and, for subsequent days, at least \$40 per full day and \$20 per half day).

Currently, each court funding unit must submit a report semiannually to the state court administrator giving the total amount of the expenses that the funding unit incurred due to the 2003 increase in the amount of juror compensation. House Bill 4210 revises this provision to specify that the semiannual report must provide the total amount of the expense incurred during

the period for juror compensation. “Juror compensation” is defined to mean mileage reimbursement and attendance rates paid to jurors.

The bill also revises a provision that entitles each court funding unit to receive reimbursement from the JCRF for the semiannual juror compensation expense amount reported to the state court administrator, excluding any juror compensation in excess of the statutory minimum. The bill also excludes the first \$7.50 for half-day juror attendance rates, the first \$15.00 for full-day juror attendance rates, and the first 10 cents per mile for travel reimbursement. (This keeps the status quo—meaning that each court funding unit is reimbursable only for the difference in juror compensation levels between the statutory minimum prior to the increase by Public Act 739 of 2002 and any current minimum specified in statute.)

New allocations from the JCRF

House Bill 4210 authorizes the state court administrator to allocate funds from the JCRF to enter into a contract with a jury management software vendor who will provide software and ongoing support and maintenance to all state trial courts. In addition, the bill authorizes funding from the JCRF for a position within the State Court Administrative Office to provide technical assistance to all state trial courts on jury management in order to improve efficiency, reduce the number of citizens summoned unnecessarily for jury service, and reduce costs to state taxpayers for juror pay, mileage, and meals. However, the sum of money spent to implement these new provisions cannot diminish the amount reimbursed to court funding units for juror compensation and mileage reimbursement.

Further, for fiscal years beginning after September 30, 2004, the RJA specifies that the state court administrator be reimbursed semiannually from the JCRF for reasonable costs associated with the administration of Section 151e, *but not to exceed an annual total of \$40,000*. The bill eliminates the \$40,000 cap on reimbursement for reasonable costs and add as a reimbursable reasonable cost the costs associated with contracting with a jury management software vendor and hiring a person to provide technical assistance to the state trial courts on jury management.

MCL 600.151e

BACKGROUND INFORMATION:

The Juror Compensation Reimbursement Fund (JCRF) was created in 2003 to provide reimbursement compensation to local trial courts for an increase in juror compensation rates that took effect October 1, 2003 (MCL 600.1344, Public Act 739 of 2002). Under the law, trial court funding units were to be reimbursed an amount equal to the legislated increase that resulted from the law. It should be noted that many courts provide compensation above the statutory minimum despite the fact that they do not receive reimbursement from the state for the discretionary amount.

The JCRF receives funding from driver license clearance fees and jury demand fees. The driver license clearance fee is \$45, of which \$15 is directed to the JCRF (MCL 257.321a). The jury demand fee for circuit court is \$85, of which \$25 is deposited in the JCRF (MCL 600.2529). For district and municipal courts, the jury demand fee is \$50, of which \$10 is deposited in the JCRF (MCL 600.8371). For FY 2016, the JCRF received \$4.6 million in fee revenue. Under MCL 600.151d, the unencumbered balance remains in the JCRF at the end of the fiscal year and does not revert to the general fund. At the end of FY 2016, the JCRF had a balance of \$10.5 million.

FISCAL INFORMATION:

House Bill 4209: With regard to the increase in the mileage reimbursement rate, from 10 cents per mile to 20 cents per mile, the cost would be roughly \$500,000 annually, according to the SCAO.

For the purposes of discussion, the following chart contains a comparison of total costs to the state in FY 2016 for current juror compensation rates and for increased compensation rates, had House Bill 4209 been enacted into law and made effective beginning with FY 2015-16.

In FY 2016, the total number of first full days served was 65,781 and the total number of first half days was 90,087. The total number of subsequent full days served was 40,420, and the total number of subsequent half days was 31,010.

		<u>1st Full Day</u>	<u>1st Half Day</u>	<u>Subs. Full Day</u>	<u>Subs. Half Day</u>	<u>Total</u>
Current Rates	1 st Day \$25.00/\$12.50	\$1,644,525	\$1,126,088			
	Subsequent Days \$40.00/\$20.00			\$1,616,800	\$620,200	\$5,007,613
HB 4209 Rates	1 st Day \$30.00/\$15.00	\$1,973,430	\$1,351,305			
	Subsequent Days \$45.00/\$22.50			\$1,818,900	\$697,725	\$5,841,360
Difference in Costs		\$328,905	\$225,217	\$202,100	\$77,525	\$833,747

House Bill 4210: The cost for a statewide contract for jury management software would need to be negotiated between the State Court Administrative Office and respective vendors, so the cost to the state is indeterminate at this time. In fiscal year 2015-16, the average annual cost for a state employee, including average annual salary and fringe benefit costs, was \$105,900.

ARGUMENTS:

For:

It has been noted that for the past several years, the Juror Compensation Reimbursement Fund has had a surplus at the end of the fiscal year. Statute requires this surplus to remain in the JCRF and not revert to the general fund for other state needs. Under the bills, as long as there are sufficient funds available to support an increase in juror compensation as specified in the legislation, jurors in the following fiscal year will be compensated at the new higher level. The increase is modest—just a \$5 increase for a full day of jury duty and \$2.50 for a half day—but is a step in the right direction of acknowledging the sacrifice in time and expense made by those who report to the courthouse to exercise their civic duty, and it may encourage more participation (and fewer requests for exemptions) among eligible persons. According to

testimony offered at committee by representatives of the State Court Administrative Office (SCAO), even with the increase in compensation, there should still be a balance going forward. Plus, additional savings due to increased efficiency should be realized once the juror compensation management software is put into action. If court efficiency regarding jurors is increased and wasteful practices eliminated, as is expected by utilizing software programs to manage the various aspects of notifying, feeding, and compensating jurors, House Bill 4210 has the potential to save taxpayers money, even though it also creates a new position to manage the software program and provide support to courts.

Against:

According to some, the balance going forward was estimated by SCAO to last until about 2024. However, amendments to the bill package adopted in the Senate now allow money to be siphoned from the JCRF to pay a vendor for computer software related to management of juror compensation and also to pay a SCAO staffer to provide technical assistance to local funding units on using the software. With a typical annual salary and benefit package for a full-time employee being about \$100,000, and costs to a vendor for a new software system that is likely to be expensive, it is unlikely that the JCRF will have sufficient extra money in it to compensate jurors at the new higher amount for long (if at all), especially considering that mileage reimbursement, which is not subject to having a JCRF surplus, will double by Spring of 2018.

The whole purpose of the Juror Compensation Reimbursement Fund was to avoid Headlee implications, which would have been triggered had an unfunded state mandate on local units of government been created when the juror rates were increased by the 2002 legislation. The JCRF's purpose has already been compromised in the past from several raids by SCAO to balance its budget. Now, not only is the cap limiting the semiannual amount SCAO may withdraw from the JCRF for administration purposes lifted, but the JCRF must support a new SCAO employee and a new software contract to boot. The only guaranteed benefit for jurors offered by the bill is the increase in reimbursement for mileage.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.