

LIVINGSTON COUNTY COURTS: COST PER CASE ANALYSIS

Introduction

In April 2022, an analysis of Livingston County Court expenditures was conducted for the years 2011 through 2022. The analysis examined the costs per case for Probate Court, District Court, and Circuit Court¹. **Expenditure data was exported from Munis while [Caseload Data](#) was obtained from the State Court Administrative Office (SCAO).**

Calculations were performed using 2021 Dollars as expenditures were **adjusted for inflation using data published by [InflationTool.com](#)**. The number of cases per year are the number of new filings for each year for each respective court.

Addressing the issues identified in this report could save Livingston County citizens \$26 million over the next 10 years.

Executive Summary

The cost per case has risen for each of the three Courts. These increases stem from a combination of decreases in caseloads and increases in expenses. Importantly, expenses have risen faster than the rate of inflation as caseloads have dropped.

The costs per case for each Court are shown in Table 1.

Expenses Per Case (inflation adjusted) ²			
Year	District	Circuit	Probate
2011	\$105.31	\$767.64	\$1,231.07
2012	\$107.43	\$766.31	\$1,184.11
2013	\$112.13	\$874.23	\$1,092.93
2014	\$124.80	\$921.95	\$1,154.31
2015	\$118.56	\$912.92	\$1,209.08
2016	\$136.34	\$853.31	\$1,255.92
2017	\$152.88	\$862.61	\$1,335.37
2018	\$164.97	\$993.54	\$1,303.02
2019	\$152.77	\$1,001.73	\$1,592.36
2020	\$197.03	\$1,236.58	\$1,699.49
2021	\$195.82	³	\$1,315.56

Table 1: Cost per case, inflation adjusted

¹ Circuit Court includes Juvenile Court

² All costs were adjusted for inflation and represent 2021 Dollars. This inflation adjustment enables an “apples to apples” comparison for this 10-year period. A detailed explanation of “inflation adjustment” can be found at the end of this report.

³ The number of 2021 Circuit Court cases was not available at the time of this publication

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The caseloads for each Court are shown in Table 2.

Caseload (new filings per year) ⁴			
Year	District	Circuit	Probate
2009	37,680	4,212	779
2010	33,306	4,135	829
2011	30,699	3,811	792
2012	28,891	3,775	795
2013	26,938	3,206	895
2014	24,148	3,134	855
2015	26,198	3,110	815
2016	24,913	3,149	858
2017	22,438	3,052	795
2018	20,652	2,935	796
2019	22,728	2,897	742
2020	16,628	2,287	713
2021	16,102		876

Table 2: Caseloads

A cost/case comparison of 2011 versus 2019⁵ is shown in Table 3.

Expenses Per Case (inflation adjusted)			
Year	District	Circuit	Probate
2011	\$105.31	\$767.64	\$1,231.07
2019	\$152.77	\$1,001.73	\$1,592.36
Increase	\$47.46	\$234.08	\$361.29
% Increase	45.07%	30.49%	29.35%

Table 3: Cost/case increases, 2011-2019

Estimating 2019 Court Expenditures Based Upon 2011 Costs per Case

How would 2019 total Court expenditures have changed if the per case cost were the same as 2011?

An anticipated expenditure reduction could be estimated for each Court by using this formula:

Reduction = (2019 Cases) x [(2019 cost/case) - (2011 cost/case)], where

- Reduction = Anticipated Expenditure Reduction
- 2019 Cases = The number of new filings in 2019
- 2019 cost/case = Cost/case displayed in Table 3

⁴ Caseload data from 2009 - 2010 were not included in this analysis because MUNIS data only goes back to 2011.

⁵ The years 2020 and 2021 were excluded from this analysis because of low caseloads during the pandemic and lockdown.

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- 2011 cost/case = Cost/case displayed in Table 3

Table 4 provides an estimates of expenditure reductions for each Court.

Parameter	District	Circuit	Probate	Total
2019 cases	22,728	2,897	742	not meaningful
2019 cost/case	\$152.77	\$1,001.73	\$1,592.36	not meaningful
2011 cost/case	\$105.31	\$767.64	\$1,231.07	not meaningful
2019 total cost using 2019 cost/case	\$3,472,182.34	\$2,902,006.48	\$1,181,529.02	\$7,555,717.84
2019 total cost using 2011 cost/case	\$2,393,411.86	\$2,223,862.66	\$913,452.30	\$5,530,726.81
estimated reduction for 2019	\$1,078,770.48	\$678,143.82	\$268,076.73	\$2,024,991.03

Table 4: Anticipated 2019 Expenditure Reduction using 2011 cost/case

Highlighted in yellow, \$2,024,991.03, is the total anticipated 2019 expenditure reduction for all three Court entities.

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Analysis

This section provides an explanation of how this analysis was performed. This includes:

- Rationale behind the approach used for this analysis.
- An explanation of the calculation used.
- An explanation of the assumptions made.

Not only are readers encouraged to read and digest this report, but they are also encouraged to offer their critique, and if warranted, their own analysis.

Raw Data

The raw data used to perform this analysis are:

1. Court caseload reports
 - a. **Published by the Michigan State Court Administrative Office (SCAO). Caseload reports show the number of cases processed by each court in Michigan.** These reports can be found at this link:
 - b. <https://www.courts.michigan.gov/publications/statistics-and-reports/caseload-reports/>
2. Livingston County Court budget information
 - a. **This was exported from MUNIS.** The exported data is contained in this embedded Excel spreadsheet. The worksheet tab named "AllData" contains the exported data from MUNIS.



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- b. In addition to the exported data, the embedded spreadsheet contains worksheets which were used to facilitate the analysis. Here are the titles of key worksheets and their purposes.
 - i. CENTRAL SERVICES: Contains associated expenses plus calculations to apportion Central Services expenses to the District, Circuit, and Probate Courts.
 - ii. DISTRICT: Contains associated expenses plus calculations.
 - iii. CIRCUIT: Contains associated expenses plus calculations.
 - iv. PROBATE: Contains associated expenses plus calculations.
 - v. Worksheet tabs highlighted in blue: Data from the four previously mentioned worksheets were exported to these "blue" worksheets to create charts and tables used in this report.

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This section discusses the calculations performed during this analysis. We will examine the calculations performed on District Court data, as the same calculations were performed on data from each of the other Court entities.

Also, the embedded spreadsheet shows the formulas used for these calculations. To follow along with this discussion refer to the sheet titled "DISTRICT"

1. Calculating Inflation Adjusted Dollars

- a. Given: Inflation from 2011 to 2021 is 20.46%
 - i. Refer to Cell D12 in DISTRICT
- b. Given: SUM OF ALL DISTRICT COURT WAGES & BENEFITS for 2011 is \$ \$1,998,588.26
 - i. Refer to Cell D13 in DISTRICT
- c. Calculation
 - i. $\text{Inflation adjusted amount} = (2011 \text{ Amount}) + [(2011 \text{ Amount}) \times (\text{Inflation})]$
- d. Note, the inflation adjustment percentage changes for each calendar year. For example, 2012 expenditures would be adjusted upwards by 18.02%, not 20.46%.
- e. The inflation adjustments used in this analysis convert expenses to the value of the dollar in 2021.
 - i. See Figure 1 on page 10 for further discussion on adjusting for inflation.

2. Calculating Cost per Case

- a. Given: The number of new filings in District Court for 2011 is 30,699.
 - i. Refer to Cell D9 in DISTRICT
- b. Given: The inflation adjusted SUM OF ALL DISTRICT COURT RELATED ITEMS for 2011 is \$3,232,811.97.
 - i. Refer to Cell D4 in DISTRICT
- c. Calculation
 - i. $2011 \text{ Cost per Case in 2021 dollars} = \$3,232,811.97 / 30,699 = \105.31
 - ii. Refer to Cell D7 in DISTRICT

3. Adjustment to costs associated with indigent defense

The Courts used to pay for the costs of providing indigent defense counsel. However, starting in 2019 the Courts no longer were required to provide funding for indigent defense as this cost was shifted to the Public Defender Office. Unless accounted for, this shift prevents accurately comparing cost/case from 2011 through 2018 versus cost/case from 2019 forward. This analysis takes this funding shift into account so that an "apples to apples" comparison can be conducted.

How is the funding shift accounted for? All expenses associated with indigent defense have been removed from the analysis. This removal enables a fair comparison of court expenses for both pre-2019 and post-2019.

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4. Calculating the proportion of Court Central Services costs allocated to District Court

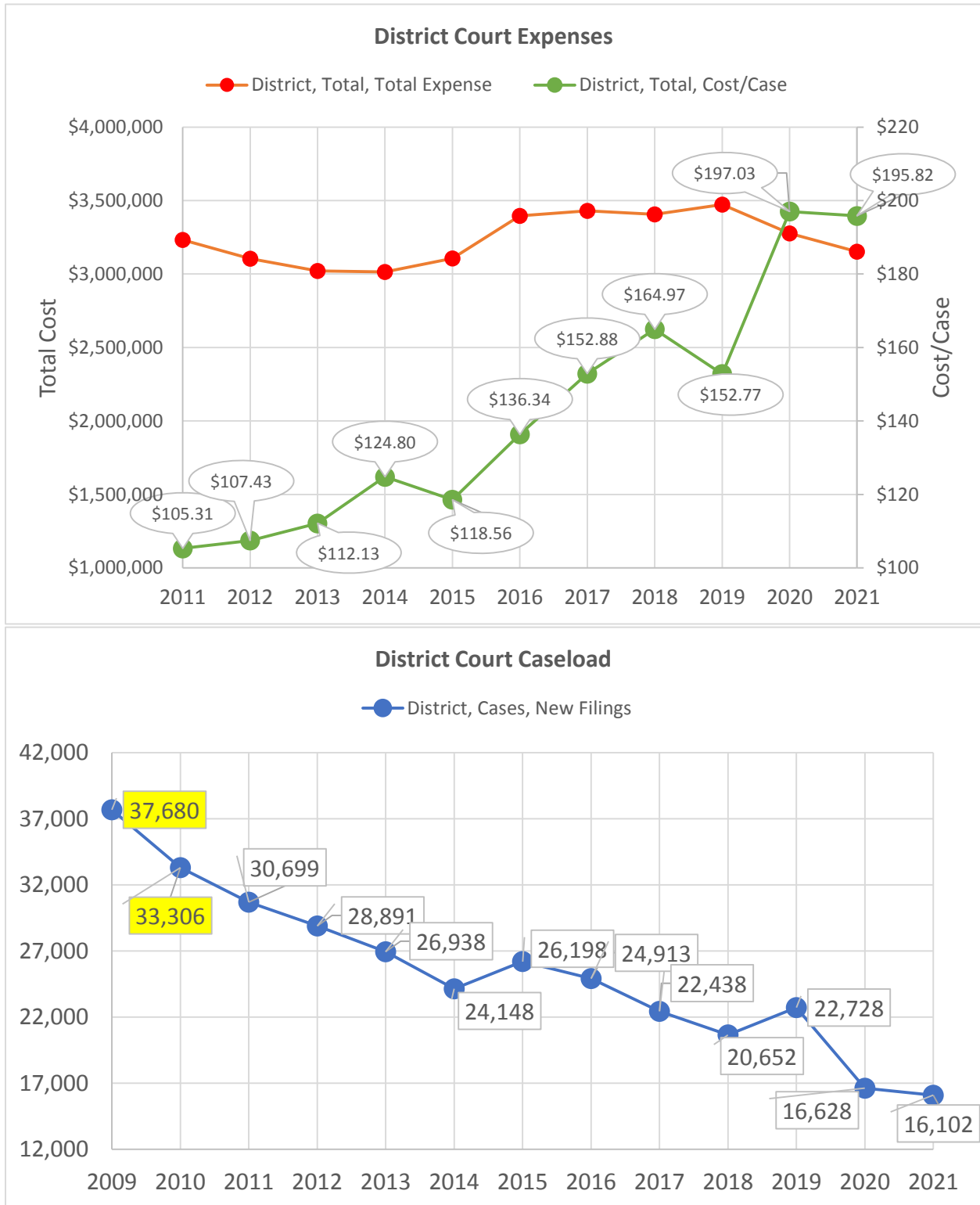
Expenses incurred by Court Central Services are allocated to each Court entity in this analysis.⁶ The calculations used for the District Court allocation are as follows:

- a. The allocation calculations are shown in the worksheet named CENTRAL SERVICES.
- b. Sum all expenses for District Court.
- c. Sum all expenses for all Court entities (District, Circuit, and Probate Court).
- d. Divide “c” by “b”. This calculation is the proportion of District Court expenses out of total Court expenses. Thus, the District Court is allocated this proportion of Central Services expenses.
 - i. Refer to Rows 17 through 27 in CENTRAL SERVICES to view the spreadsheet calculations.

⁶ Central Services expenses were allocated in proportion to the total expenses of each of the three Courts. Other allocation methods could be evaluated in future analyses.

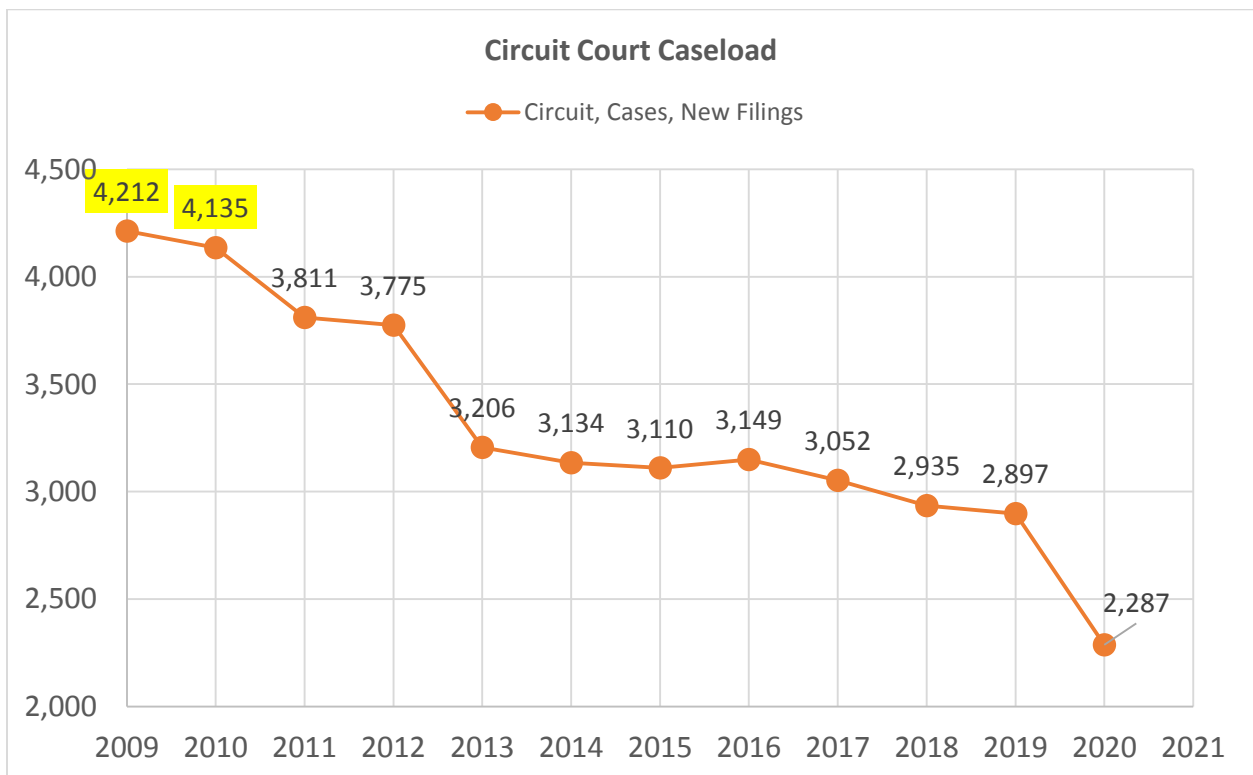
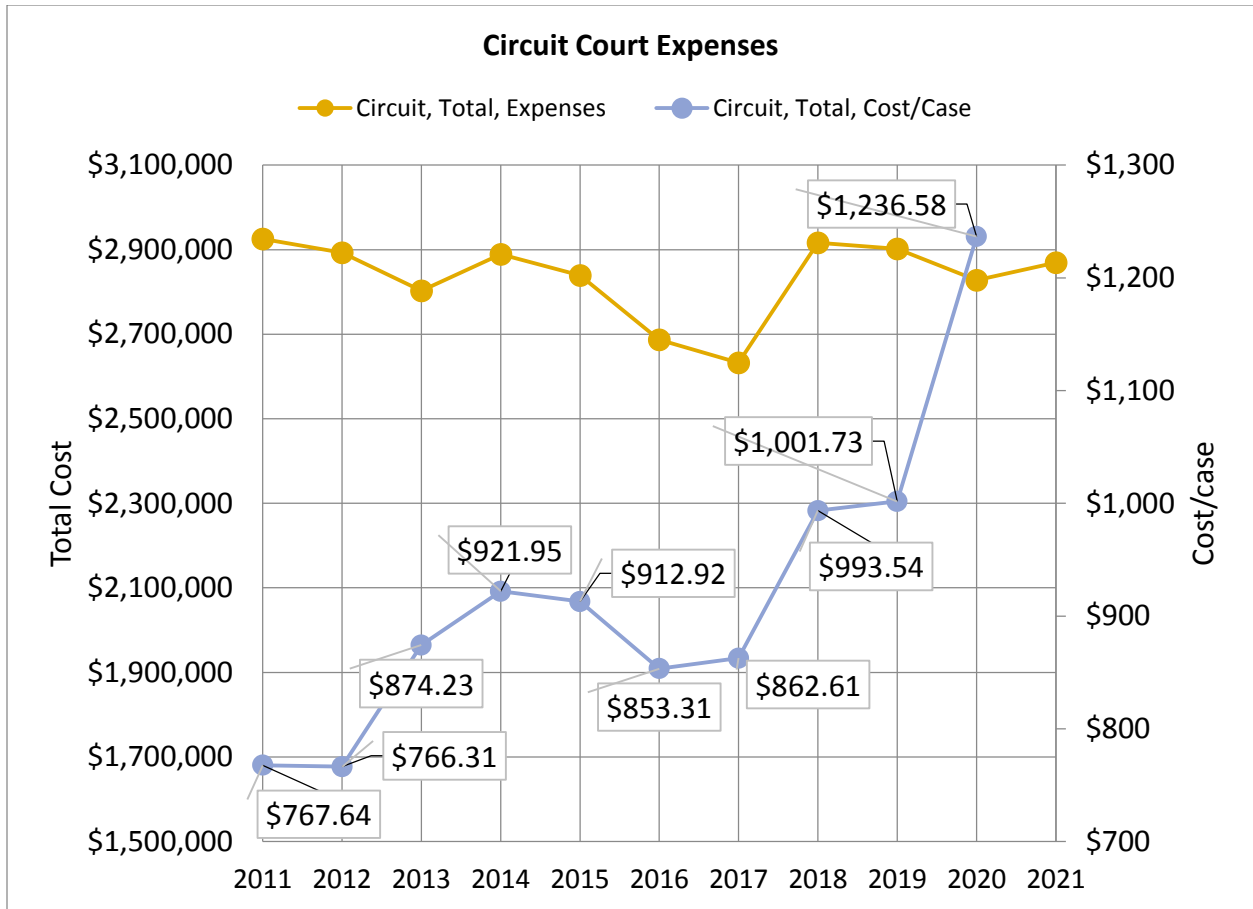
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GRAPHICAL COMPARISONS⁷

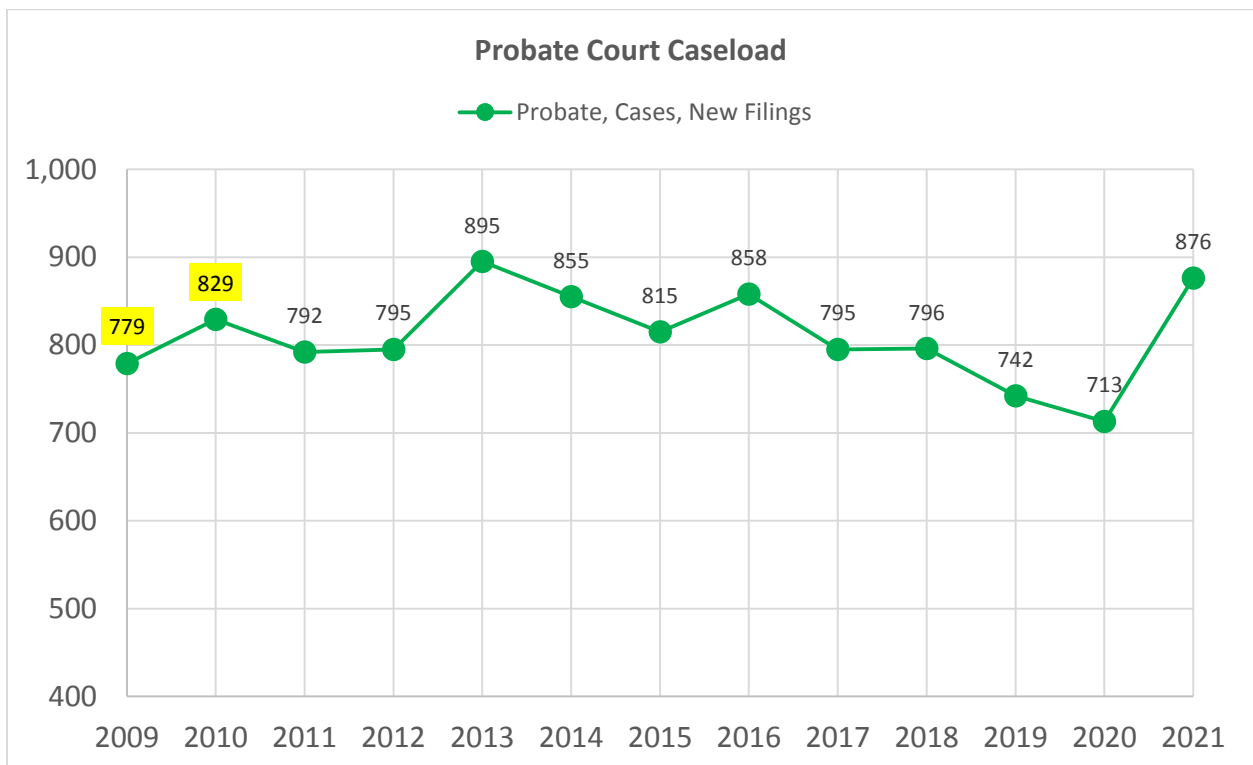
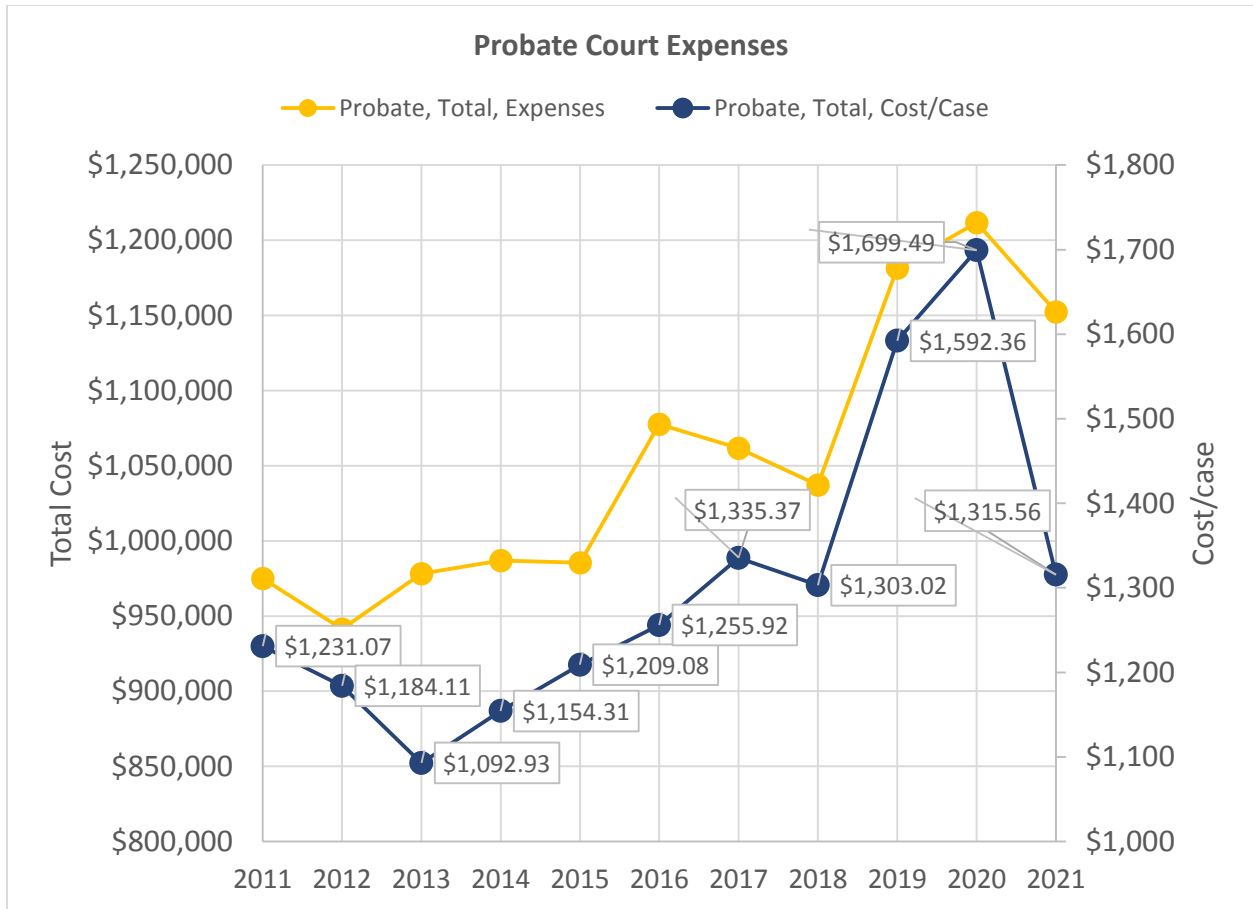


⁷ Data for 2009 and 2010 are shown on the Caseload charts (highlighted in yellow), but they were not included in the cost/case analysis as MUNIS data only goes back to 2011.

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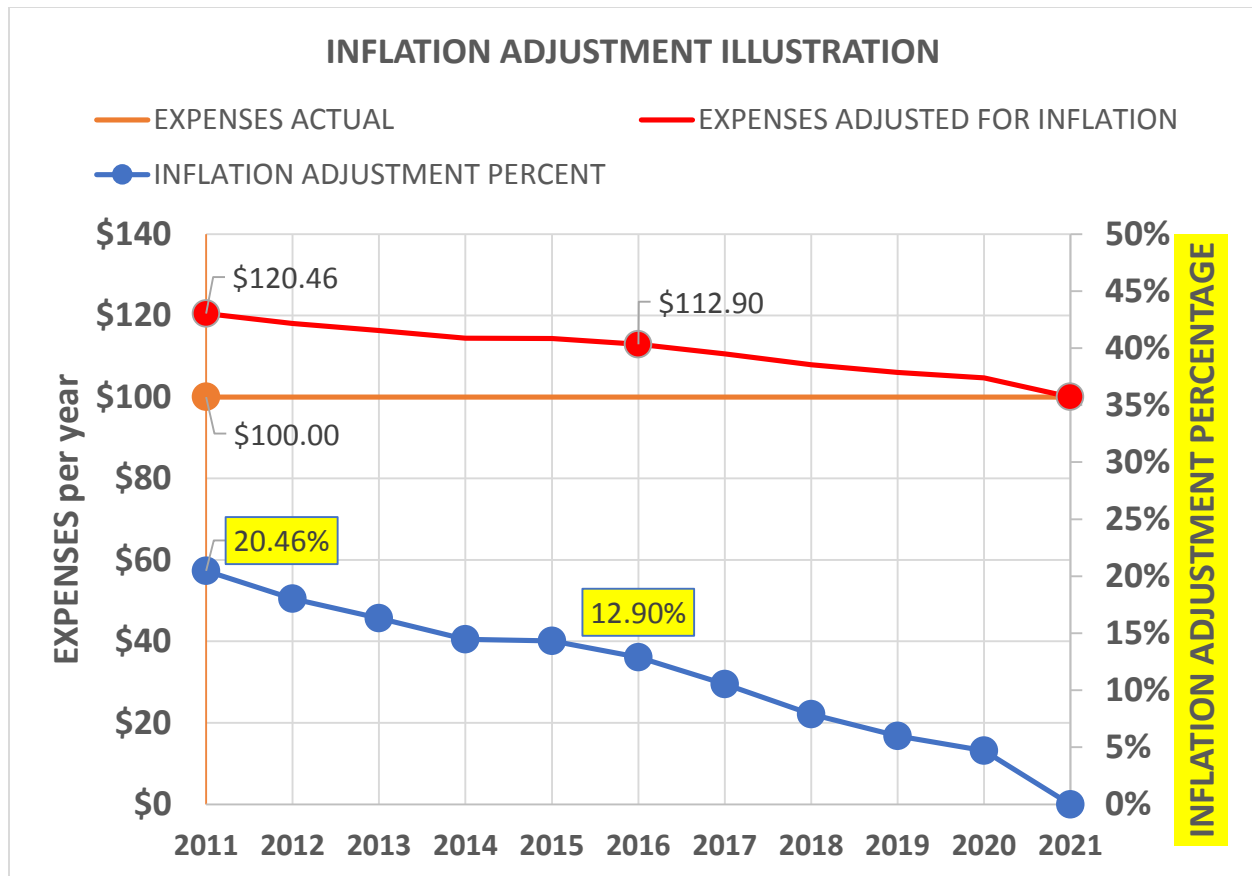


Figure 1: Inflation Adjustment

Figure 1 provides a graphical representation of the impact of inflation over this 10-year period.

The blue line shows inflation during this period. For example, in 2011 the value of \$1 is 20.46% greater than the value of \$1 in 2021. Similarly, the value of \$1 in 2016 is 12.90% greater than the value of \$1 in 2021. Stated differently, due to inflation, the purchasing power of \$1.2046 in 2011 has eroded to \$1.00 in 2021.

The orange line shows an example where actual expenses remained constant at \$100/year during this 10-year period. Performing an analysis using actual expenses one would conclude that expenditures were flat during this period. However, the value of \$1 is not constant during this period due to inflation.

The red line shows these same \$100/year expenses after adjusting for inflation. The value of \$120.46 in 2011 eroded to \$100.00 in 2021. The unit of measure for the red line is “2021 dollars.” An analysis based on the red line would conclude that “expressed in 2021 dollars, expenses declined from \$120.46/year to \$100.00/year during the period 2011 – 2021.

The reader is reminded that this report expresses all expenses in “2021 dollars,” thereby permitting an “apples to apples” comparison by removing the impact of inflation during this 10-year period.

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The orange line shows the actual expenses incurred each year. Actual expenses were constant at \$100.00/year during this 10-year period. However, due to inflation, the value of a dollar is greater in 2011 than in 2021.

DISCUSSION

The analysis herein shows a potential cost savings of \$2,024,991.03 per year could be realized if the Court were optimized to return to the cost/case levels observed in 2011.⁸

Table 4 presented estimated expenditure reductions for each of the three Livingston County Courts. These reductions are restated below:

- District Court: \$1,078,770.48 per year
- Circuit Court: \$678,143.82 per year
- Probate Court: \$268,076.73 per year
- Total: \$2,024,991.03 per year

It is worth noting the increase in personnel costs associated with the Court Central Service department accounts for \$827,879.77 per year, or nearly 41% of the total estimated expenditure reduction. In 2011 personnel cost⁹ for this department totaled \$151.54, while in 2019 this cost grew to \$828,031.

This analysis confirms prior studies showing that cost savings opportunities exist for Livingston County Courts.

In addition, as far back as 2011, reports have been issued concluding that Livingston County Courts could deliver judicial services while improving the value proposition for Livingston taxpayers. Specifically, the 2011 Michigan Judicial Workload Assessment published by the Michigan State Court Administrative Office (SCAO) and the National Center for State Courts (NCSC) concluded that Livingston County Courts had a surplus of 6.3 quasi-judicial officers.^{10 11} A copy of the report has been embedded below in the footnotes section.

Moreover, a report issued by Commissioner Wes Nakagiri in 2019 showed that an additional 8.21 FTEs had been added to Livingston County Courts even after a surplus was identified in 2011 by SCAO and

⁸ Starting in 2019 costs/case were further exacerbated when the expenses associated with indigent defense were transferred from the Courts to the new Public Defender office. This transfer of indigent defense cost should have resulted (but did not) in an annual expenditure decrease of about \$1 million for Livingston County Courts.

⁹ Personnel costs consisted of object codes 702000 through 725000.

¹⁰ It is worth noting the significant decrease in caseloads since SCAO and NCSC identified the surplus of 6.3 quasi-judicial officers in 2011.

¹¹ **Michigan Judicial Workload Assessment – Final Report**, authored by Matthew Kleiman, Ph.D. and Cynthia G. Lee, J.D. of the Research Division of the National Center for State Courts, August 2011. See page 36 of document or page 43 of this embedded PDF file.



Michigan Judicial
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NCSC. During the period from 2010 to 2018, Court headcount had increased 8% while total caseload had decreased by 35%.

Eliminating just the surplus of quasi-judicial officers would add another \$585,900/year¹² in addition to the \$2,024,991.03/year mentioned earlier.

Over a ten-year period, the total reduction in taxpayer funded expenditures would be over \$26 million.

¹² 6.3 FTEs multiplied by an average of \$93,000 per year (salary and benefits) equals \$585,9000/year