October 1, 2013

To: Senate Government Operations Committee
From: Alan C. Helmkamp, Senior Assistant Wayne County Executive

ADDITIONAL REASONS TO SUPPORT HB 4704 (H-1); OTHER VOICES CONCERNED ABOUT COUNTY BUDGETING BY LAWSUIT

"Residents of Wayne County, beset by declining property values and high rates of unemployment, may be surprised to learn that their county budget is being set by a judge in St. Clair County. The St. Clair judge has ruled in an appropriations dispute between the rest of Wayne County government and its circuit court. He has involved himself in a level of budget detail and ordered spending far beyond what is appropriate to the case." The Detroit News, "Court Costs-Courts should recognize Wayne County's financial plight in funding demands," November 2, 2010

"...Wayne County is cursed with its own brand of internecine warfare, as elected officials go at each other's throats. Beleaguered-and already well-taxed-citizens can't help but wonder why their elected officials won't pull together during hard times." Detroit Free Press, "A blank check for Wayne County courts is out of order," November 11, 2010

"There's something wrong with a process in which one judge is asked to rule on whether other judges should get all the money they want from the legislative and executive branches of government." The Detroit News, "Overgenerous court decision," October 30, 2010

"Wayne County is required to fund the operations of the (circuit) court, but has little control over the budgeting or operations themselves. Rather, the courts operate independently with funding supplied by the county. When the circuit court system overspends the amount budgeted for operations by Wayne County, the county must fund overages. The county has tried to impose budget cuts on the court system, but recently a court ruled that the spending controls the county had put in place must be removed...The county's ability to meet its funding requirements for the court without damaging its overall financial health will be critical to the rating." Standard & Poors, "Wayne County Michigan; General Obligation; General Obligation Equivalent Security; Note-Credit Profile," June 7, 2011

"Currently, Wayne County is being sued by Prosecutor Kym Worthy, contending that her budget isn't adequate. The county was sued by former Sheriff Warren Evans, and by the Wayne County Circuit Court judges. A Wayne Circuit Judge found for the sheriff; (another) County judge's ruling in favor of the courts pushed the Wayne County government into a $55 million settlement...When voters elect county executives and county commissioners, they expect them to make budget decisions-not local circuit court judges. But in a number of cases, particularly in Wayne County, other county officials, unhappy with their budgets, sometimes seek to circumvent the local budget process through lawsuits. The state House has adopted legislation to stop these legal end runs. The Michigan Senate should do so as well (Referencing a similar bill last session)." The Detroit News, "Editorial-End county budgeting by lawsuit," December 2, 2012

"...the (county) commission rejected the settlement offered by officials from the county and Worthy's office that would boost Worthy's annual budget (by $7.4 million) to $31 million, saying a hunt for so much money with five months remaining in the budget year would hurt other departments. The rejection of the settlement sends the matter back to court, where a judge could now force the county to find the funds." Detroit Free Press, "Wayne County Commission rejects Prosecutor Kym Worthy's $31 M budget settlement," May 14, 2013