

FY 2009 Annual Program Performance Measures

DEPARTMENT: MICHIGAN DEPARTMENT OF LABOR & ECONOMIC GROWTH

APPROPRIATION UNIT: Sec 115 Boards, Authorities and Commissions

PROGRAM: Michigan Tax Tribunal

TIMELINE: October 1, 2008 through September 30, 2009

PROGRAM MISSION STATEMENT

To provide all citizens with the opportunity to resolve state and local tax disputes at a fair and impartial hearing and to receive a timely written, quality decision that is based on the evidence submitted and the law.

VISION STATEMENT

To be a tax court that is accessible and understood by all, that treats citizens and employees with the highest standards of respect, fairness, integrity, and excellence and that, by its public service, inspires trust in Michigan's tax system and becomes a nationwide model for other tax courts.

PROGRAM STATEMENT

The Tribunal is a Type 1 administrative court. (See MCL 205.721.) Like other courts, the Tribunal conducts hearings and renders written decisions based on the evidence submitted by all parties. The Tribunal has original and exclusive jurisdiction over property tax matters (i.e., valuations, special assessments, principal residence exemptions, qualified agricultural exemptions, etc.) (See MCL 205.731.) The Tribunal also has concurrent jurisdiction over non-property tax matters (i.e., assessments levied by the Michigan Department of Treasury), with the Ingham County Circuit Court in its capacity as the Court of Claims. (See MCL 205.22.)

NOTE: The Tribunal is divided into two divisions - the Entire Tribunal and the Small Claims Division. All cases over which the Tribunal has subject matter jurisdiction may be filed in the Entire Tribunal with the exception of principal residence and qualified agricultural exemption appeals. (See MCL 205.731, 211.7cc, and 211.7ee.) Only certain cases may be filed in the Small Claims Division. (See MCL 205.762.)

FUND SOURCE:

State Restricted Fees

LEGAL BASIS:

Public Act 186 of 1973 (MCL 205.701 through 205.800)
Rules of Practice and Procedure (R 205.1101 through R 205.1348)

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CUSTOMER IDENTIFICATION:

Customers – taxpayers; state and local governments

Stakeholders – the Governor, the Legislature, and various associations representing customers and their attorneys or agents (i.e., Michigan Assessors' Association, Michigan Township Association, Michigan Municipal League, State Bar of Michigan, Michigan Association of Certified Public Accountants, Michigan Chamber of Commerce, etc.)

CRITICAL GOALS/MAJOR OBJECTIVES and RESULTS

Program Goals:

1. To shorten the time frame from initial filing of an appeal to resolution by –
 - a. Improving the process utilized to schedule prehearing conferences and hearings.

Highlight Status Gr Green	Comment: In June 2009, the Tribunal returned to a "general call" procedure which provides parties with a guaranteed time period in which their cases will be scheduled for a prehearing. This new procedure also requires parties to specify valuation witnesses earlier. This requirement should improve case flow.
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- b. Improving management of individual caseloads to reduce the time frame for rendering decisions.

Highlight Status Gr Green	Comment: We continue to work to meet this goal. Case processing standards will be established for Tribunal members and hearing referees and these caseloads will be monitored.
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2. To improve customer perception of the Tribunal as an impartial, professional and hard-working legal body with specialized knowledge.

Highlight Status Gr Green	Comment: We continue to work to meet this goal through participation in meetings with interest groups, by conducting classes on Tribunal practice and procedure for interested parties and by providing training for Tribunal members and hearing referees.
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3. To improve tracking of appeal processing, issuing of reports and management of caseloads and customer relations to facilitate compliance with Tribunal goals.

<i>Highlight Status</i> Gr Green	<i>Comment:</i> We continue to work to meet this goal within our existing case docketing system. In addition, we monitor the processing and resolution of appeals and allocate additional staff to address processing issues, as needed. Meetings are conducted with the judges to discuss caseloads and other issues that may arise. We respond to telephone inquiries, e-mail messages and written correspondence, the number of which has increased in proportion to the increase in the number of cases, to the extent permitted by MCL 205.725. Telephone and e-mail contacts are typically handled the same day, while written correspondence is handled within one week of receipt.
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Processes/Services

The Tribunal's processes and services are constantly reviewed to improve efficiencies and customer knowledge and understanding.

PROGRAM EFFECTIVENESS and Efficiency (Current Year)

Program Goals/Metrics

See attached charts (Table A and Table B)

Performance Measures

Timeliness, Accuracy, and Customer Satisfaction as applied to: processing appeals and rendering decisions.

Program Improvements Made

Tribunal List Serve – The Tribunal maintains a List Serve to inform its customers and stakeholders of recent decisions, changes in procedures and to respond to customer concerns. The List Serve is issued as needed. With over 817 organizations and other entities becoming subscribers, the Tribunal's List Serve reaches thousands of taxpayers, tax practitioners and stakeholders.

Tribunal Website – The Tribunal maintains a website that contains a variety of information regarding the Tribunal. While the website is consistently updated, much more needs to be done.

Tribunal Notices – The Tribunal developed a notice process to inform interested parties of changes in Tribunal practices and to clarify the Tribunal's interpretation of the Tribunal's Administrative Rules. The notices are included in the Tribunal's List Serve messages and are posted on the Tribunal's website. Public comment is solicited and is the source of many of the Tribunal Notices.

Student Program – The Tribunal's student program includes an active work-study and externship program. Graduates from the student program have received employment at a number of law firms, accounting firms and with the State of Michigan.

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Tribunal Administrative Rules – Amendments to the Tribunal’s Administrative Rules were proposed during the fiscal year and adopted in October 2009. These new Rules increase Tribunal fees, streamline Tribunal procedures and clarify certain procedures.

New Employee – The Tribunal hired three limited term employees. These employees will assist in scheduling hearing and processing cases.

Hearing Referees – In cooperation with the State Office of Administrative Hearings and Rules, the Tribunal contracted with twenty hearing referees to hear small claims appeals. Under this program, the Tribunal has been able to substantially increase the number of hearings scheduled each month.

Internal Processes:

Human Resources:

Employee Meetings – Staff meetings and meetings with Tribunal judges are held as needed to discuss proposed changes and the progress of implemented changes.

Management Meetings – Meetings are held with executive staff, administrative support staff, and clerical staff to discuss management and processing issues, targets, case assignments and staff utilization.

Process Manual – We have an on-going review of internal procedures and processing standards. We continue to update a manual that identifies current internal procedures, processing standards and steps to implement these procedures.

PROGRAM IMPROVEMENT PLANS FOR FY10

Stakeholder Services:

We expect to revise the Administrative Rules again in FY10 to address mediation.

Internal Processes:

We will establish formal case processing goals and evaluation procedures for Tribunal members.

Human Resources:

Employee Evaluations – We continue to evaluate individual job functions to improve performance criteria for each employee.

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CHALLENGES FOR FY10 and BEYOND

Caseload Increase – The exact number of small claims cases filed during the 2008-09 fiscal year is unknown as of the date of this report due to the overwhelming number of cases filed. To date, over 12,000 cases have been docketed. This is the largest number of small claims cases filed in a single year since the 1993-94 fiscal year; in other words, since enactment of Proposal A. The number of entire tribunal cases filed during the 2008-09 fiscal year was 4,501. This is the largest number of entire tribunal cases ever filed, and an increase of 2,400 cases over FY09.

Increase in Pending Cases – At the end of the 2007-08 fiscal year, there were approximately 17,000 pending small claims cases. Of these, 15,750 were active. (Cases are not active if there is a stipulation pending in that case, if the case is in abeyance, if the case has been consolidated, etc.) At the end of the 2008-09 fiscal year, this number had increased to approximately 24,500 pending cases, of which 22,850 were active. While the number of small claims cases has increased dramatically, the Tribunal believes that the hearing referees will make progress in resolving a significant number of these cases.

At the end of the 2007-08 fiscal year, there were 8,455 pending entire tribunal cases. Of these, 6,460 were active. At the end of the 2008-09 fiscal year, the number of pending cases increased to 11,999, while the number of active cases increased to 10,048. The primary challenge the Tribunal now faces is resolving this number of cases with the existing Tribunal members and two administrative law judges.

Staffing level – The Tax Tribunal currently has 14 support staff, including the Deputy Chief Clerk and three limited term employees. There is also one vacant position. These 14 people are responsible for performing all of the Tribunal's clerical and administrative support functions including answering the telephone, opening the mail, entering information on the Tribunal's case docketing system, mailing forms, copying opinion and judgments and mailing them, preparing a courtroom for a hearing, proofreading documents, scheduling hearings, filing, etc.

Each small claims case initially involves, at a minimum, five documents. This means that during the last fiscal year, the three staff members who are assigned to the small claims division were expected to process approximately 60,500 documents (20,165 each) during "filing season" (a matter of a few months). At the same time, these three people were required to make corresponding entries in the Tribunal's docketing system. Because it was physically impossible to complete this work, overtime was approved for these employees. This significantly increased productivity and reduced the amount of time necessary to process a case.

Similarly, each entire tribunal case initially involves, at a minimum, four documents. This means that during the last fiscal year, the two staff members who are assigned to the entire tribunal division were expected to process approximately 28,000 documents (14,000 each) and to make corresponding docket entries during filing season in addition to their other responsibilities. Again, because it was physically impossible for staff to complete this work, overtime was authorized with corresponding results.

Even if the one vacant position is filled, and even with the addition of three limited term employees, there simply is not enough staff to process the work in a timely manner. This would be the situation even if filings were not at record highs.

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TABLE A

Small Claims Filings/Dispositions

FISCAL YEAR	Property Appeals	PRE & Qualified Ag	Non-property Appeals	TOTAL FILINGS	Decisions	Consent Judgments	Dismissals & Withdrawals	Total Dispositions	Active Cases	Pending Appeals	Clearance Rate
08-09 (As of 9.30.09)	11,002	792	289	12,083	1,339	1,748	4,201	7,288	22,850	24,445	60%
07-08 (As of 9.30.08)	10,343	910	313	11,566	1,811	1,497	4,221	7,529	15,750	16,998	65%
06-07 (As of 9.30.07)	8,336	652	420	9,408	1,183	889	2,610	4,682	11,640	12,896	50%
05-06 (As of 9.30.06)	4,926	804	309	6,039	1,691	980	3,105	5,776	6,678	7,987	96%
04-05 (As of 9.30.05)	4,671	1,036	288	5,995	892	1,088	3,431	5,411	6,865	7,488	90%
03-04 (As of 9.30.04)	4,066	1,771	343	6,180	1,174	741	3,420	5,335	6,439	6,842	86%
02-03 (As of 9.30.03)	5,453	295	318	6,066	1,092	603	3,608	5,303	1,682	6,669	87%
01-02 (As of 9.30.02)	5,215	402	305	5,922	1,356	1,023	3,781	6,160	3,526	5,117	104%
00-01 (As of 9.30.01)	6,001	579	417	6,997	1,809	1,915	4,132	7,856	3,840	5,355	112%
99-00 (As of 9.30.00)	4,163	397	422	4,982	1,297	701	2,628	4,626	2,841	3,419	93%
98-99 (As of 9.30.99)	5,427	740	506	6,673	1,904	1,664	5,698	9,266	4,250	4,664	139%
97-98 (As of 9.30.98)	4,958	1,118	448	6,524	998	2,350	4,518	7,866	6,898	7,263	121%
96-97 (As of 9.30.97)	6,767	N/A	313	7,080	N/A	N/A	N/A	7,814	N/A	N/A	110%
95-96 (As of 9.30.96)	N/A	N/A	N/A	7,149	N/A	N/A	N/A	N/A	N/A	N/A	N/A
94-95 (As of 9.30.95)	7,860	N/A	334	8,194	N/A	N/A	N/A	N/A	N/A	N/A	N/A
93-94 (As of 9.30.94)	13,746	N/A	491	14,237	7,919	5,616	14,874	28,409	N/A	N/A	200%
92-93 (As of 9.30.93)	27,331	N/A	361	27,692	4,837	2,019	3,977	10,833	N/A	N/A	39%
91-92 (As of 9.30.92)	4,782	N/A	181	4,963	3,578	3,001	6,857	13,436	N/A	N/A	270%
90-91 (As of 9.30.91)	15,609	N/A	203	15,812	1,877	1,040	8,345	11,262	N/A	N/A	71%
89-90 (As of 9.30.90)	8,180	N/A	340	8,520	928	596	1,434	2,958	N/A	N/A	35%
88-89 (As of 9.30.89)	7,781	N/A	452	8,233	2,006	927	3,869	6,802	N/A	N/A	87%
87-88 (As of 9.30.88)	6,952	N/A	452	7,404	3,080	891	4,323	8,294	N/A	N/A	112%
86-87 (As of 9.30.87)	5,513	N/A	438	5,951	2,141	737	4,050	6,928	N/A	N/A	116%
85-86 (As of 9.30.86)	4,961	N/A	390	5,351	1,987	769	2,502	5,258	N/A	N/A	98%
84-85 (As of 9.30.85)	5,159	N/A	175	5,334	3,551	1,071	4,514	9,136	N/A	N/A	171%
83-84 (As of 9.30.84)	5,312	N/A	224	5,536	2,469	1,067	4,401	7,937	N/A	N/A	143%
82-83 (As of 9.30.83)	8,191	N/A	556	8,747	2,773	1,741	7,166	11,680	N/A	N/A	134%
81-82 (As of 9.30.82)	13,675	N/A	382	14,057	2,237	1,166	1,040	4,443	N/A	N/A	32%
80-81 (As of 9.30.81)	7,248	N/A	501	7,749	2,881	1,056	4,534	8,471	N/A	N/A	109%
79-80 (As of 9.30.80)	7,275	N/A	8	7,283	1,809	724	2,775	5,308	N/A	N/A	73%
78-79 (As of 9.30.79)	4,080	N/A	50	4,130	2,111	606	1,907	4,624	N/A	N/A	112%
77-78 (As of 9.30.78)	4,566	N/A	529	5,095	3,320	743	3,776	7,839	N/A	N/A	154%
76-77 (As of 9.30.77)	N/A	N/A	N/A	16,559	N/A	N/A	N/A	14,926	N/A	N/A	90%
75-76 (As of 9.30.76)	N/A	N/A	N/A	4,806	N/A	N/A	N/A	5,520	N/A	N/A	115%

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74-75 (As of 9.30.75)	N/A	N/A	N/A	6,086		N/A	N/A	N/A	5,174	N/A	N/A	85%
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Table B
Entire Tribunal Filings/Dispositions

FISCAL YEAR	Property Appeals	Non-Property Appeals	TOTAL FILINGS	Decisions	Consent Judgments & Withdrawals		Dismissals	TOTAL DISPOSITIONS	Active Cases	Pending Cases	Clearance Rate
					CJs	WDs					
08-09 (As of 9.30.09)	6,808	125	6,933	81	1,640	978	359	3,058	10,048	11,999	44%
07-08 (As of 9.30.08)	4,394	107	4,501	37	1,807	851	215	2,910	6,460	8,455	65%
06-07 (As of 9.30.07)	2,912	101	3,013	70	1,622	957	414	3,063	4,473	6,724	102%
05-06 (As of 9.30.06)	2,746	125	2,871	86	2,292	N/A	931	3,309	3,848	6,837	115%
04-05 (As of 9.30.05)	2,131	86	2,217	74	1,552	N/A	974	2,600	5,403	6,544	117%
03-04 (As of 9.30.04)	1,886	70	1,956	62	1,143	N/A	1,265	2,470	5,675	6,971	126%
02-03 (As of 9.30.03)	2,380	65	2,445	29	591	N/A	843	1,463	1,426	5,495	60%
01-02 (As of 9.30.02)	1,592	69	1,661	39	702	N/A	811	1,552	2,066	6,272	93%
00-01 (As of 9.30.01)	1,168	130	1,298	70	1,098	N/A	1,081	2,249	1,862	6,070	173%
99-00 (As of 9.30.00)	1,286	108	1,394	36	649	N/A	784	1,469	2,138	6,146	105%
98-99 (As of 9.30.99)	2,077	132	2,209	48	613	N/A	766	1,427	2,932	6,465	65%
97-98 (As of 9.30.98)	2,727	112	2,839	32	675	N/A	510	1,217	3,913	5,569	43%
96-97 (As of 9.30.97)	3,409	102	3,511	N/A	N/A	N/A	N/A	1,502	N/A	N/A	43%
95-96 (As of 9.30.96)	1,293	101	1,394	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
94-95 (As of 9.30.95)	1,293	101	1,394	N/A	N/A	N/A	N/A	N/A	N/A	N/A	154%
93-94 (As of 9.30.94)	2,460	175	2,635	332	N/A	N/A	1,034	4,054	N/A	N/A	82%
92-93 (As of 9.30.93)	2,186	136	2,322	70	N/A	N/A	590	1,915	N/A	N/A	136%
91-92 (As of 9.30.92)	1,412	165	1,577	139	N/A	N/A	694	2,145	N/A	N/A	66%
90-91 (As of 9.30.91)	2,355	182	2,537	102	N/A	N/A	689	1,674	N/A	N/A	43%
89-90 (As of 9.30.90)	1,966	95	2,061	40	N/A	N/A	294	884	N/A	N/A	74%
88-89 (As of 9.30.89)	1,368	166	1,534	98	N/A	N/A	346	1,137	N/A	N/A	97%
87-88 (As of 9.30.88)	1,130	201	1,331	233	N/A	N/A	558	1,296	N/A	N/A	25%
86-87 (As of 9.30.87)	930	145	1,075	70	N/A	N/A	148	271	N/A	N/A	141%
85-86 (As of 9.30.86)	669	232	901	110	N/A	N/A	485	1,268	N/A	N/A	167%
84-85 (As of 9.30.85)	863	190	1,053	96	N/A	N/A	652	1,760	N/A	N/A	96%
83-84 (As of 9.30.84)	1,186	334	1,520	83	N/A	N/A	506	1,452	N/A	N/A	103%
82-83 (As of 9.30.83)	1,222	333	1,555	118	N/A	N/A	580	1,598	N/A	N/A	68%
81-82 (As of 9.30.82)	1,711	274	1,985	138	N/A	N/A	403	1,357	N/A	N/A	69%
80-81 (As of 9.30.81)	1,244	229	1,473	89	N/A	N/A	301	1,015	N/A	N/A	83%
79-80 (As of 9.30.80)	1,323	5	1,328	143	N/A	N/A	340	1,099	N/A	N/A	112%
78-79 (As of 9.30.79)	711	58	769	110	N/A	N/A	231	859	N/A	N/A	101%
77-78 (As of 9.30.78)	746	137	883	75	N/A	N/A	277	895	N/A	N/A	71%

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76-77 (As of 9.30.77)	N/A	N/A	543	N/A	N/A	N/A	N/A	388	N/A	N/A	70%
75-76 (As of 9.30.76)	N/A	N/A	1,414	N/A	N/A	N/A	N/A	983	N/A	N/A	61%
74-75 (As of 9.30.75)	N/A	N/A	1,499	N/A	N/A	N/A	N/A	911	N/A	N/A	N/A