

**74th OREGON LEGISLATIVE ASSEMBLY – 2007 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: SB 5518-A

JOINT COMMITTEE ON WAYS AND MEANS

**Carrier – House: Rep. Shields
Carrier – Senate: Sen. Brown**

Action: Do Pass as Amended and Be Printed A-Engrossed

Vote: 21 – 0 – 0

House – Yeas: D. Edwards, Galizio, Garrard, Hanna, Jenson, Morgan, Nathanson, Nolan, Shields

– Nays:

– Exc:

Senate – Yeas: Bates, Carter, Devlin, Gordly, Johnson, Morse, Nelson, Schrader, Verger, Westlund, Whitsett, Winters

– Nays:

– Exc:

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Reviewed By: Robin LaMonte, Legislative Fiscal Office

Meeting Date: 6/20/07

Agency

Oregon Judicial Department

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LFO Analysis Page

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Biennium

2007-09

Senators: Bates, Carter, Devlin, Gordly, Johnson, Morse, Nelson,
Schrader, Verger, Westlund, Whitsett, Winters

Senator Kurt Schrader, Co-Chair

Representatives: D. Edwards, Galizio, Garrard, Hanna, Jenson,
Morgan, Nathanson, Nolan, Shields

Representative Mary Nolan, Co-Chair

Representative Chip Shields, Public Safety Subcommittee Chair

Budget Summary*

	2005-07		2007-09		Percentage Committee
	Legislatively Approved Budget (1)	Governor's Budget	Committee Recommendation	Difference from Governor's Budget	Change from Governor's Budget
General Fund	\$ 282,061,772	\$ 328,691,998	\$ 314,845,653	\$ -13,846,345	-4.2%
Other Funds	26,673,669	160,075,510	32,410,076	-127,665,434	-79.8%
Other Funds Nonlimited	8,370,055	9,192,966	10,492,966	+1,300,000	+14.1%
Federal Funds	1,912,896	922,381	980,381	+58,000	+6.3%
Total	\$ 319,018,392	\$ 498,882,855	\$ 358,729,076	\$ -140,153,779	-28.1%

Position Summary

Authorized Positions	2,041	2,258	2,070	-188
Full-time Equivalent (FTE) Positions	1,856.26	2,047.08	1,911.07	-136.01

(1) Includes adjustments through the December 2006 meeting of the Emergency Board and the 2007 supplemental appropriation.

* Excludes Capital Construction expenditures

Summary of Revenue Changes

Revenue from the General Fund supports about 88 percent of the Department's budget. The remaining revenue is from Other Funds and Federal Funds. Other Funds are received from revenues collected by the 36 trial courts, the Tax Court, the Court of Appeals, and the Supreme Court. Eighty nine percent of the revenue collected is transferred to the General Fund, the Criminal Fines and Assessment Account (CFAA), and other governmental agencies. Eleven percent is retained by the Department to fund the actual costs of the Department's collections program, including Department of Revenue and private collection agency charges for collection of delinquent debt. Additional Other Fund revenues are derived from the sale and distribution of court publications, fees charged for public access to the Oregon Judicial Information Network, the Oregon State Law Library assessment, fees charged for the interpreter and shorthand certification programs, and grants from the Oregon Department of Human Services, Children, Adult and Families to fund the Citizen Review Board. Federal Funds are received from various grants, including the U.S. Department of Health and Human Services for continuation of the Juvenile Court Improvement Project.

Summary of Subcommittee Action

The Judicial Department operates 36 circuit courts located in 27 judicial districts statewide. It operates the Oregon Supreme Court, Court of Appeals, and the Tax Court. The Department administers the Mandated Payments Program that pays for the cost of jurors, transcript costs for certain indigents in civil appeals, Americans with Disabilities Act compliance, and interpreters for non-English-speaking and hearing-impaired persons in the courts.

The Subcommittee approved a budget of \$358.7 million total funds, \$314.8 million General Fund and 1,911.07 full-time equivalent (FTE) positions for the Oregon Judicial Department (OJD). The approved budget is an increase of \$32.8 million General Fund and \$39.7 million total funds (a 12 percent increase) and 29 positions (54.81 FTE) above the adjusted 2005-07 Legislatively Approved Budget, including a supplemental appropriation of \$1.7 million General Fund for sign and language interpreters.

The recommended budget is a reduction of \$13.8 million General Fund below the budget recommended by the Governor. The budget includes a reduction of \$101.9 million Other Funds from the elimination of a policy package to fund court facilities restoration. That issue will be addressed in another bill. The budget also includes a reduction of \$25.5 million Other Funds for the Oregon Judicial Information Network (OJIN) improvement package. This will also be addressed in a separate bill.

Details of the budget approved by the Subcommittee include:

Package 090 - Analyst Adjustment to Reverse the Governor's Adjustment. The Governor makes no recommendation on the programs and policies to be funded in Judicial Branch agency budgets. Instead the budget was reduced by \$45.1 million General Fund, with no specific adjustment to the policy packages. The Subcommittee eliminated the unspecified adjustment and added back the total General Fund. The specific budgetary adjustments are then made to the policy packages.

Package 101– Judicial Salary Adjustment: This package, as approved by the Subcommittee, will provide the Circuit, Tax and Appellate Court judges with a salary increase of 14 percent on July 1, 2007 and 3 percent on July 1, 2008. The total biennial cost is \$7,506,533 General Fund. The adjusted salaries are shown below:

14% 7/1/07 and 3% 7/1/08	Salary Effective:			Biennial Cost
	06/30/07	07/01/07	07/01/08	
Circuit Court Judge	95,800	109,212	112,488	
Tax Court Judge	98,900	112,752	116,136	
Appellate Court Judge	102,800	117,192	120,708	
Appellate Court Chief Judge	105,200	119,928	123,528	
Supreme Court Judge	105,200	119,928	123,528	
Chief Justice	107,600	122,664	126,344	
				7,506,533

Package 102 – Employee COLA/Medical Benefit Increases was withdrawn by the agency. The General Fund cost for any potential employee compensation increase will be included in a Special Purpose Appropriation within the Emergency Fund for all of state government, including the Judicial and Legislative branches.

Package 103: Technology. This package included \$20.0 million General Fund and \$25.5 million Other Funds from Certificates of Participation and agency Other Funds ending balance to begin implementation of the OJIN conversion. See Package 811 for interim financing. The package approved by the Subcommittee includes \$183,194 Federal Funds for a Juvenile Court Improvement Grant.

Package 104: Specialty Courts. The Subcommittee did not approve this package, but did approve a workload shift for drug court staff in Package 806. They directed the following budget note related to a long-term plan for the administration of the drug courts statewide.

Budget Note:

The Oregon Judicial Department, the Criminal Justice Commission, and the Department of Human Services are instructed to develop a long-term plan for the administration of the drug courts and related services currently funded through the Commission's grant programs. The plan must address (1) whether the programs initially funded as grants be transitioned into an ongoing program, and (2) the current legal authority of the potential host agencies. Primary consideration for future administration of these drug courts are to be given to agencies already involved in the operation of drug courts such as the Oregon Judicial Department. The agencies are to report on the plan to the Emergency Board or to a meeting of the interim Joint Committee on Ways and Means. The development of the 2009-2011 Governor's Recommended Budget should take into account this long-range plan for the administration of the drug courts.

Package 105: Court Facilities was not approved. Court facilities restoration and related funding for an interim work group will be addressed in another bill.

Package 106: Court Security was approved by the Subcommittee. This package implements the provisions of House Bill 2792 (2005) that established the State Court Facilities Security Account to provide security in buildings that contain or are used by the Supreme Court, Court of Appeals, Oregon Tax Court, or the Office of the State Court Administrator, and to provide security training to court employees. Revenue to support this cost is from increased circuit, municipal, and justice court (non-unitary) assessments. The approved package includes \$2,402,730 Other Funds, establishes two permanent full-time positions (1.5 full-time equivalents). It also transfers \$119,734 Other Funds from services and supplies to personal services.

Package 107: Programs. This package includes funding to expand a pilot project that is intended to collect amounts owed in the more difficult cases where clients are not easily tracked. It also includes Federal Funds to continue a Juvenile Court Improvement grant. The Subcommittee approved \$2,149,658 Other Funds, \$485,575 Federal Funds and 21 positions (17.01 full-time equivalent).

Package 108: New Judgeships was not approved. If a decision is made to add new judgeships, funding can be addressed in a substantive bill.

Package 109: Real-Time Reporting Pilot was not approved. This package would have funded a real time reporting pilot. If a decision is made to add this pilot, funding can be addressed in the substantive bill.

Package 110: Interpreter Rate Increase and Forms Translation was not approved. This package would have funded an increase in the rates paid to interpreters and would have increased funding for forms translation.

Package 801: LFO Analyst adjustment to Essential Budget Level Package 040 was approved by the Subcommittee. This package reverses an essential budget level adjustment of \$9.6 million total funds and 72 positions (68.64 full-time equivalent) to establish a new mandated caseload adjustment for court workload. The Subcommittee also directed the following budget note that creates a work group to address mandated caseload adjustments in public safety-related agencies.

Budget Note:

The Oregon Judicial Department is requested to participate with the Criminal Justice Commission, which in coordination with the Legislative Fiscal Office and the Department of Administrative Service, is directed to take the lead in coordinating an interim work group including the Oregon Judicial Department, the Public Defense Services Commission, the Department of Justice, and the Department of Human Services to develop a process for determining mandated caseload adjustments in public safety-related agencies. The determination of the mandated caseloads of the Department of Corrections and the Oregon Youth Authority should continue under their current processes. The work group is instructed to determine: 1) based on Department of Administrative Services budget development instructions, the types of cases that would be included in the mandated caseload definition for each agency; 2) the methodology for forecasting caseload, including consultation with the Office of Economic Analysis and other state forecasting offices; and 3) what extraordinary cost adjustments would be appropriate based on the particular needs of individual agencies. Once these determinations have been made, the work group will develop a projected 2009-11 mandated caseload for each agency and identify the projected cost. The Commission and the agencies are to provide a draft report on mandated caseload projections and costs to the Emergency Board or to a meeting of the interim Joint Committee on Ways and Means, for review and approval by no later than July 2008. The Commission will also report to the 2009 Joint Committee on Ways and Means on the mandated caseload budget.

Package 806: Workload Shift Drug Court Staff was approved by the Subcommittee. This package adds \$2.0 million General Fund and 19 positions (12.56 full-time equivalent) to replace court staff that were diverted from regular court operations to support drug, family and other specialty courts. This package restores that staff to support court operations, while maintaining staff support for specialty courts.

Package 807: LFO Analyst adjustment to Essential Budget Level Package 040 was approved by the Subcommittee. This package adds \$700,000 General Fund to the Essential Budget Level in the Mandated Payments Program that pays for the cost of jurors, transcript costs for certain indigents in civil appeals, Americans with Disabilities Act compliance, and interpreters for non-English-speaking and hearing-impaired persons in the courts.

Package 808: LFO Analyst adjustment for various grant programs was approved. This package adds \$858,053 total funds and 11 positions (6.13 full-time equivalent) for various grants and agreements, including:

- Extension of a Bureau of Justice Assistance Grant - \$58,000 Federal Funds, 2 positions (0.50 full-time equivalent)
- DOJ Violence Against Women Act Grant - \$42,000 Other Funds, 2 positions (0.73 full-time equivalent)
- Criminal Justice Commission Grant extensions - \$530,223 Other Funds, 5 positions (3.40 full-time equivalent)
- ODOT Grant for Clackamas DUII Court - \$150,000 Other Funds, 1 position (1.00 full-time equivalent)
- Domestic Violence grant for Linn County Domestic Violence Community Response Project - \$15,000 Other Funds

- Intergovernmental Agreement with Lane County for Pretrial Monitoring - \$62,830 Other Funds; 1 position (0.50 full-time equivalent)

Package 809: LFO Analyst adjustment for Citizen Review Board Staff was approved by the Subcommittee. This package adds \$247,042 Other Funds and 3 positions (2.76 full-time equivalents) for Citizen Review Board workload.

Package 810: LFO Analyst technical adjustment for Nonlimited Other Funds Collections Costs was approved. This package adds a \$1.3 million Other Funds Nonlimited for increased collections costs.

Package 811: Technology Strategic Plan: LFO Analyst adjustment for Strategic Plan Implementation. The Subcommittee approved \$2.0 million General Fund and 3 positions (3.00 FTE) for the development of a strategic plan for the OJIN conversion project. The legislative oversight will be funded out of another bill, which contains legislative direction and a budget note related to the development of the plan.

Summary of Performance Measure Action

See attached Legislatively Adopted 2007-09 Key Performance Measures form. The Subcommittee commended OJD for its efforts to link its performance measures to its strategic plan and outcomes, and approved the key performance measures with the following direction:

Although OJD has some measures of satisfaction, such as the juror satisfaction KPM, the agency has not created a broad customer service measure. OJD should add proposed KPM 11, which is the customer service measure that is a standard requirement for all agencies, including Judicial Branch agencies.