

**75th OREGON LEGISLATIVE ASSEMBLY – 2009 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: SB 5543-A

JOINT COMMITTEE ON WAYS AND MEANS

**Carrier – House: Rep. Nathanson
Carrier – Senate: Sen. Johnson**

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

Vote: 21 – 0 – 1

- House – Yeas: Buckley, D. Edwards, Galizio, Garrard, Gilman, Jenson, Komp, Kotek, Nathanson, Richardson, Shields, G. Smith
- Nays:
- Exc:
- Senate – Yeas: Carter, Girod, Johnson, Monroe, Nelson, Verger, Walker, Whitsett, Winters
- Nays:
- Exc: Bates

Prepared By: John Borden, Legislative Fiscal Office

Reviewed By: Robin LaMonte, Legislative Fiscal Office

Meeting Date: January 23, 2009

<u>Agency</u>		<u>Budget Page</u>		<u>LFO Analysis Page</u>		<u>Biennium</u>	
Oregon Judicial Department			---		---	2007-09	
<u>Budget Summary*</u>	<u>2007-09 Legislatively Approved Budget (1)</u>			<u>2007-09 Committee Recommendation</u>		<u>Committee Change from 2007-09 Leg. Approved</u>	
						<u>\$\$ Change</u>	<u>% Change</u>
Other Funds	\$ 44,719,467			\$ 4,000,000	\$ 4,000,000	8.9%	
Total	\$ 44,719,467			\$ 4,000,000	\$ 4,000,000	8.9%	
<u>Position Summary</u>							
Authorized Positions	--			--	--	--	--
Full-time Equivalent (FTE) positions	--			--	--	--	--

(1) Includes adjustments through the December 2008 meeting of the Emergency Board

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The revenue to support this measure is from the issuance of certificates of participation (COP). The issuance of COPs for the Oregon eCourt Program was previously authorized by the 2008 supplemental session (HB 5100). Legislative approval of the \$4 million Other Funds expenditure limitation in this measure is required for the Department of Administrative Services (DAS) to seek \$7.5 million in COP funding during the February 2009 COP sale.

If this measure does not become law prior to the February COP sale, the Judicial Department will have to wait until October 2009 for additional funding, which is when the next COP sale by DAS is tentatively scheduled.

Summary of Capital Construction and Information Technology Subcommittee Action

This measure increases the Judicial Department's 2007-09 Legislatively Approved Other Funds expenditure limitation of \$44.7 million by \$4,000,000, or 8.9%, for the Oregon eCourt Program.

The Oregon eCourt Program, and its success, is to critical Oregon. The Judicial Department, however, has made limited progress addressing the Oregon eCourt Program deficiencies and risks identified by the Emergency Board (June, September, and December 2008), which were then corroborated in a report by the Department's Quality Assurance contractor (December 2008).

The Other Funds expenditure limitation included in this measure is provided to continue the Oregon eCourt Program, but remedy long standing deficiencies and reduce unnecessary program risks. The \$4 million in Other Funds expenditure limitation is for four distinct purposes: (1) to first remedy Program deficiencies; (2) to create a detailed revised approach for restructuring the Oregon eCourt Program that takes into consideration the impact to the Program of the state's forecasted revenue shortfall for the 2007-09 and the 2009-11 biennia; (3) to maintain key Oregon eCourt functions, such as the Quality Assurance contractor, the Program Integrator contractor, and the Project Management Office. The Department may continue limited work on core eCourt Program projects, such as Electronic Content Management, eFiling, Web Portal, and Security; and (4) to provide for a small reserve of contingency funding.

The Department will be able to use the balance of \$2.4 million remaining from the original \$8 million Other Funds expenditure limitation that it received from the Spring 2008 COP sale to sustain key eCourt functions and then continue limited work on core Oregon eCourt Program projects.

The Department must remedy the Oregon eCourt Program deficiencies identified by the Emergency Board and Quality Assurance Contractor and present a revised Oregon eCourt Program Plan as prerequisites to any future request for Oregon eCourt Program funding or expenditure limitation. Once that is accomplished, the balance of the February 2009 COP issuance, which will be \$3.5 million, may be available to fund any future request by the Department for either the 2007-09 biennium or the 2009-11 biennium through October 2009. Continuation of funding beyond October 2009 will be addressed as part of the Department's 2009-11 budget hearings.

The Subcommittee directed that the Department report during the 2009 Legislative Session to the Joint Committee on Ways and Means, Subcommittee on Capital Construction and Information Technology, on its progress in completing the deficiency-related deliverables identified by the Emergency Board and Quality Assurance Contractor. The Department was also directed to provide a detailed Plan for its recently

announced revised approach for restructuring the Oregon eCourt Program for the 2009-2011 biennium. At a minimum, this Plan should include the revised restructuring implementation costs and outcomes.

The Department was also directed not to use any base or Strategic Planning General Fund appropriations dedicated to the eCourt Program until after the Legislature's consideration of a 2007-09 budget reconciliation measure later this session.

The Subcommittee recommended that the Department of Department of Administrative Services include in the February 2009 COP bond sale the issuance of \$7.5 million of COPs for the Oregon eCourt Program.

Summary of Performance Measure Action

None