

**JUDICIAL DEPARTMENT**

The Judicial Department (OJD) includes the judges and administrative staff to operate general-jurisdiction trial or circuit courts, a tax court, an intermediate court of appeals, and a supreme court. The Department’s other responsibilities include the collection of court-ordered judgments, providing court interpreters, and state court security. The Department is unique in many aspects. It has a decentralized structure of independently elected judges and non-unionized employees who are overseen by a single administrative head (i.e., the Chief Justice). Circuit court judges and staff work in county-owned and county-maintained buildings. Each presiding judge exercises a degree of autonomy in prioritizing the budget for local courts depending upon the needs of local jurisdictions.

JUDICIAL DEPARTMENT	2009-11 Actuals	2011-13 Leg. Approved	2013-15 Current Service Level	2013-15 Governor's Budget	2013-15 Co-Chairs' Budget (1.0)	% Change 2011-13 LAB to 2013-15 CSL
General Fund	284,107,992	367,952,634	409,314,689	388,828,593	0	11.2%
Other Funds	80,904,659	56,914,830	22,864,190	79,287,816	0	-59.8%
Federal Funds	1,099,450	1,303,013	891,014	883,540	0	-31.6%
<b>TOTAL FUNDS</b>	<b>\$366,112,101</b>	<b>\$426,170,477</b>	<b>\$433,069,893</b>	<b>\$468,999,949</b>	<b>\$0</b>	<b>1.6%</b>
Positions	2,084	1,878	1,830	2,003	0	-2.6%
FTE	1,904.08	1,752.66	1,709.46	1,855.94	0.00	-2.5%

Major Revenues	Budget Environment	Comparison by Fund Type																				
<ul style="list-style-type: none"> <li>• The Judicial Department is primarily funded by the General Fund.</li> <li>• The Department collects revenues from fees, fines, and charges, but these revenues are typically transferred to the General Fund or to the Criminal Fine Account, and not retained by the Department.</li> <li>• OJD generates revenue from state court fees. These include filing fees, driver license suspension fees, trial and hearing fees, court collection fees, probation and diversion surcharge residual revenue, security release fees, and parking fines. Collections in the 2013-15 biennium are projected to total \$135.7 million.</li> <li>• OJD is forecast to transfer \$118.2 million of</li> </ul>	<ul style="list-style-type: none"> <li>• The Judicial Department has no control over the number of case filings it receives, and has legal restrictions on its ability to manage its caseload. For example, there are clear statutory requirements for speedy trials in criminal matters. If a case is not processed within allowable timeframes, it could be dismissed or could be subject to other prescribed statutory sanctions or relief. Any flexibility the Department has resides primarily within its ability to delay adjudication in civil case filings.</li> <li>• Workload in the Judicial Department is driven by a number of factors, including: the number and complexity of cases filed; social trends such as rates of drug abuse</li> </ul>	<div style="text-align: center;"> <p><b>JUDICIAL DEPARTMENT</b></p> <table border="1"> <caption>JUDICIAL DEPARTMENT Revenue (Millions of Dollars)</caption> <thead> <tr> <th>Year</th> <th>General Fund/Lottery</th> <th>Other Funds</th> <th>Federal Funds</th> </tr> </thead> <tbody> <tr> <td>2009-11</td> <td>\$284.1</td> <td>\$80.9</td> <td>\$1.1</td> </tr> <tr> <td>2011-13</td> <td>\$368.0</td> <td>\$56.9</td> <td>\$1.3</td> </tr> <tr> <td>2013-15 CSL</td> <td>\$409.3</td> <td>\$22.9</td> <td>\$0.9</td> </tr> <tr> <td>2013-15 GB</td> <td>\$388.8</td> <td>\$79.3</td> <td>\$0.9</td> </tr> </tbody> </table> </div>	Year	General Fund/Lottery	Other Funds	Federal Funds	2009-11	\$284.1	\$80.9	\$1.1	2011-13	\$368.0	\$56.9	\$1.3	2013-15 CSL	\$409.3	\$22.9	\$0.9	2013-15 GB	\$388.8	\$79.3	\$0.9
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<p>court fee revenues to the General Fund. An additional \$11.9 million of court fee revenue will be transferred to the Oregon State Bar to support the Legal Aid program.</p> <ul style="list-style-type: none"> <li>• OJD collects revenues from fines, bail security release forfeiture, indigent defense recoupment, and recovery of court costs. Collections are projected to total \$123 million during the 2013-15 biennium. These revenues are primarily, but not exclusively, transferred to the Criminal Fine Account (CFA). A total of \$91.4 million of state court fine revenues are forecast to be transferred to the CFA in 2013-15. Local courts operating outside of OJD also transfer portions of their fine collections to the CFA.</li> <li>• CFA funds finance a number of dedicated programs in the state budget, including support for the Department of Public Safety Standards and Training and for the Criminal Injuries Compensation Account. CFA revenues in excess of those allocated to dedicated programs are transferred to the General Fund.</li> <li>• OJD receives \$13.1 million back from the CFA in the 2013-15 biennium CSL budget. These funds are dedicated to the Department’s State Court Facilities and Security Account, and used for security measures and capital projects at county courthouses and OJD’s Salem facilities. CFA funds and are spent in the OJD budget as Other Funds.</li> </ul>	<p>and family dissolution; crime rates; and the effect of new laws and regulations. Case-types vary in their impact on judicial resources and staff. Criminal felony, misdemeanor, juvenile, and complex civil case types have the greatest workload impact on the judicial and staff resources. Violations and Small Claims cases have a lower impact on resources.</p> <ul style="list-style-type: none"> <li>• Funding reductions to OJD have affected circuit court services and processing times. The Chief Justice’s recommended budget includes funding requests to ensure a 72-hour maximum for timely entry of court documentation for enforcement of legal rights and judgments; a 24-hour maximum for timely entry of recall of arrest warrant notifications; and a minimum of 7 hours of daily public counter and telephone access to court services.</li> <li>• Total filings in the circuit courts have declined in recent years. Filings totaled over 655,000 in 2003. More recently, filings declined from 599,605 in 2009, to 565,397 in 2010, and to 552,601 in 2011 (a 7.8% decline from two years earlier). The greatest decline was in violation cases, however, which are the least costly to process. More-expensive felony filings increased over this period. Domestic relations, civil commitment, and probate filings also increased.</li> <li>• Cases filed in the Court of Appeals have also declined in recent years. Between</li> </ul>	

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<ul style="list-style-type: none"> <li>• State court fines are shared with local jurisdictions when the law enforcement office who cited the offense is employed by state or local government. OJD is projected to transfer \$24.2 million to cities and \$7.6 million to counties in the 2013-15 biennium.</li> <li>• Fees collected from applicants for, and recipients of, court-appointed attorneys in the Public Defense Application/Contribution Program (ACP) are transferred to the Public Defense Services Commission (PDSC). These revenues are projected to total \$4.4 million in the 2013-15 biennium. PDSC then transfers \$2.7 million back to OJD to support costs of verifying eligibility for public defense services.</li> <li>• The sale and distribution of court publications, manuals, and forms, and providing online access to the Oregon Judicial Information Network (OJIN) and Odyssey eCourt system are projected to generate \$3.5 million of Other Funds revenues. The revenues from these sources are retained by OJD.</li> <li>• A statewide assessment funds the State of Oregon Law Library. This assessment will raise \$2.4 million in 2013-15.</li> <li>• General obligation bond proceeds have been used to finance development and implementation of a new Electronic Court (eCourt) system. OJD is requesting \$24.3 million of bond proceeds in the</li> </ul>	<p>2009 and 2011, the Court of Appeals case load declined from 3,416 to 2,936 (a 14% decline over the period). Despite this, the Court has increased its number of written opinions from the levels earlier in the decade. From 2009 to 2011, the number of opinions has varied from 457 to 503, On average, each Court of Appeals judge writes approximately 45-50 opinions per year. During the 2012 session, the Legislature approved the addition of a fourth panel of judges to the Court. This increase, which was not funded, increases the number of Court of Appeals judges from 10 to 13.</p> <ul style="list-style-type: none"> <li>• Support for OJD’s core operations has declined since the 2007-09 biennium. Since that time the Department’s employment count declined from 1,928.35 FTE to 1,752.66, a 175.69 FTE (or 9.1%) reduction. The percentage employment reduction in core program exceeds this amount, as staffing for the new eCourt program was expanded during this period.</li> <li>• Some program expenditures were shifted from Other Funds to General Fund in the 2011-13 budget. The fund shifts included \$22.8 million for expenditures associated with revenue management and collections. The Department is responsible for collecting fees and fines imposed by the state courts. Fines, especially, are often difficult to collect. As of June 2012, the OJD liquidated and delinquent debt owed</li> </ul>	

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<p>2013-15 biennium for the ongoing eCourt implementation.</p> <ul style="list-style-type: none"> <li>• Federal Funds expenditures are funded by a federal grant that supports the Juvenile Court Improvement Project. Federal Funds revenues are projected to total \$1.5 million in the 2013-15 biennium.</li> </ul>	<p>to the state and to crime victims totaled \$1.27 billion. OJD pays fees to the Department of Revenue and to private collection firms for assistance in its collection activities. In 2011 the Legislature added General Fund to the budget to pay collection costs.</p> <ul style="list-style-type: none"> <li>• General Fund was added to the OJD budget in the 2011-13 biennium to support pass-through payments to other entities that had previously been funded outside the OJD budget or through transfer of Other Funds revenues (fees and fines). These entities include county law libraries, county mediation and conciliation programs, and support for the Council on Court Procedures and the Oregon Law Commission. Pass-through payments total approximately \$15 million GF in the OJD budget.</li> <li>• Other Funds allocations from the Criminal Fine Account were added to the budget in the 2011 session to support court security and facility costs. These expenditures were previously funded by assessments added to fines for violations and crimes.</li> <li>• The development of Oregon eCourt is a major multi-biennium project. Funding for further implementation and support is included in the 2013-15 biennium budget request.</li> </ul>	

**MAJOR CHALLENGES AND DECISION**

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| <p>1. The Chief Justice's recommended budget includes requests for funds to restore services and programs in circuit courts that were reduced in recent biennia. The requests total \$10.4 million General Fund and 92 positions, and include the following components:</p> <ul style="list-style-type: none"> <li>a. Approximately \$6.7 million General Fund and 62 positions to establish the service levels referenced in the Budget Environment section above.</li> <li>b. Approximately \$1.6 million General Fund and 13 positions to support drug treatment specialty court services that were back-filled with Criminal Justice Commission grants or federal or local sources in the 2011-13 biennium. The funds would support existing drug courts in Jackson, Marion, Malheur, Wallowa, Lincoln, Columbia, Linn, Grant, Benton, and Crook counties.</li> <li>c. Approximately \$2 million General Fund and 17 positions to facilitate self-represented (<i>Pro Se</i>) litigants access to the courts.</li> </ul> <p>2. The Chief Justice's recommended budget includes \$24.3 million of Article XI-Q bond proceeds to finance the continued development and installation of the next phase of the eCourt system. These bonds would have additional debt service costs of \$5.2 million General Fund in the 2013-15 biennium.</p> <p>3. The Chief Justice's recommended budget includes requests for funds to restore staff and services in OJD's central offices. The requests total \$3.1 million General Fund and 22 positions, and include the following components:</p> <ul style="list-style-type: none"> <li>a. Approximately \$1.1 million General Fund and six positions to provide system support and training for Oregon eCourt and OJIN for courts that have completed implementation eCourt.</li> </ul> | <ul style="list-style-type: none"> <li>b. Approximately \$0.9 million General Fund and ten positions to support central processing positions for accounting, revenue management, and a central violations bureau. The package also adds an analyst position to support key performance measures and centralized reporting and process improvement activities around new Oregon eCourt functionality.</li> <li>c. Approximately \$557,000 General Fund and three positions to help improve and standardize court processes and procedures with the implementation of the new Oregon eCourt Odyssey system.</li> <li>d. Approximately \$533,000 General Fund and 3 positions to restore the Family Law Program that was eliminated in the 2009-11 biennium because of funding shortfalls. This program will work with state agencies on issues of family law, support circuit courts on child support, family law and self-represented individual issues, and assist in updating the family law process for eCourt.</li> </ul> <p>4. In the 2012 session, the Legislature added a fourth three-judge panel to the Court of Appeals, beginning October 1, 2013. The recommended budget includes \$3 million General Fund and twelve positions (the three new judges plus nine support staff) to implement the court expansion.</p> <p>5. The Chief Justice's recommended budget includes \$12.2 million General Fund for salary increases for judges, starting July 1, 2013. A 2012 study by the National Center for State Courts ranks Oregon 45<sup>th</sup> among the states in salary levels for circuit court and Supreme Court judges, and 36<sup>th</sup> for Court of Appeals judges among 39 states with a Court of Appeals. This package funds increases in judicial compensation equal to those recommended by the 2008 Public Officials Compensation Commission (POCC), adjusted for changes in the Consumer Price Index (CPI) since 2009. Salaries for circuit court judges would increase as shown on the next page:</p> |
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<u>Judicial Position</u>	<u>(ORS CH 292)</u>	<u>POCC</u>	<u>Proposed</u>
	<u>Current Salary</u>	<u>Recommended</u> <u>(Oct. 2008)</u>	<u>Salary*</u> <u>(July 2013)</u>
Circuit Judge	\$114,468	\$132,000	\$137,595
Tax Court Judge	\$118,164	\$135,000	\$140,723
Crt of Appeals Judge	\$122,820	\$138,000	\$143,850
Sprme Crt Justice/COA presiding judge	\$125,688	\$139,800	\$145,726
Chief Justice	\$128,556	\$145,800	\$151,980
*Adjusts the POCC recommended salaries for annual cpi increases 2009-11 at a cumulative change of approximately 4.27% using the Portland - Salem, OR-WA Consumer Price Index for All Urban Consumers for All Items as published by the Bureau of Labor and Statistics of the U.S. Dept of Labor.			

6. The Chief Justice’s recommended budget includes \$1.5 million General Fund to increase the hourly rate paid to freelance certified interpreters from \$32.50 per hour to \$45 per hour. The current rate was established in 1998. The \$45 rate would be equal to the Department of Administrative Services approved rate for interpreters.
7. The Chief Justice’s recommended budget includes a request for \$3.5 million of Criminal Fine Account funds to finance approximately one-third of the replacement cost for the Union County Courthouse (\$2 million); critical repairs to the Curry County Courthouse roof (\$150,000); and life/safety system upgrades in Curry, Wallowa, Gilliam, and Malheur county court facilities (\$1.4 million). The request also includes \$747,000 of Criminal Fine Account funds for metal detectors and security alarm systems to bring circuit courts up to statewide security standards. These funds would allow completion of interrupted projects in Central Oregon and begin work in Southern Oregon. These additional Criminal Fine Account expenditures would roll-up 2011-13 biennium funding to the Department to a full 24-month level.
8. The Chief Justice’s recommended budget includes \$26.8 million of Article XI-Q bond proceeds to finance repairs and improvements to preserve the Oregon Supreme Court Building. While regular preventative maintenance has been performed, the building has never

undergone a major renovation and much of the infrastructure requires major upgrades or replacement. The renovation would include a seismic retrofit and HVAC, power, and lighting system replacements. Alternatively, a project just to handle the critical exterior issues could be performed for an overall project cost of \$4.4 million. The reduced project would fund terracotta exterior repair and sealing, window repair, and project management. The work performed on the exterior could be done without impacting future work and would be eliminated from future project costs.

9. The Governor included a \$47.7 million unspecified General Fund reduction to OJD as part of his overall recommended budget. If all the Department’s requested policy option packages were approved, the \$47.7 million reduction would leave the Department with total General Fund support 5% below CSL.
10. The fiscal impacts to the Judicial Department of implementing the recommendations of the Governor’s Commission on Public Safety are still undetermined at this time. Other legislation that affects sentences or judicial processes could also impact the OJD budget.
11. The Department needs an additional \$600,000 General Fund for its 2011-13 biennium federally mandated and legislatively mandated costs. The Department has insufficient funds to cover projected costs to provide Interpreter services in the courts.