

## Judicial Department

	2011-13 Actuals	2013-15 Leg. Approved*	2015-17 CSL LFO	2015-17 Chief Justice's Recommended
General Fund	365,417,114	402,814,725	430,137,118	454,636,329
Other Funds	47,973,194	69,478,242	33,402,862	117,145,570
Federal Funds	1,198,808	1,233,153	1,258,284	1,598,284
<b>Total Funds</b>	<b>414,589,116</b>	<b>473,526,120</b>	<b>464,798,264</b>	<b>573,380,183</b>
Positions	1,869	1,889	1,834	1,974
FTE	1,742.95	1,763.60	1,722.18	1,832.59

\* includes Emergency Board and administrative actions through December 2014.

### **Program Description**

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. Oregon's 36 counties are consolidated into 27 judicial districts. Oregon's Justice, County, and Municipal courts fall outside the jurisdiction of the agency. The OJD budget also provides funding for Legal Aid, county law libraries, county mediation/reconciliation programs, the Council on Court Procedures, and the Oregon Law Commission.

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.

The Department's 1,834 CSL positions (1,722.18 FTE) are organized into the following program areas. The dollar totals for each program area (excluding Judicial Compensation) include non-personnel costs:

- **Judicial Compensation** (\$70.9 million, 194 FTE) holds the personal service costs of the state's 194 statutory judgeships.
- **Appellate and Tax Courts** (\$25.1 million, 101.80 FTE) includes the operating costs for the Supreme Court, Court of Appeals, Tax Court (a court of original jurisdiction), and legal support costs.

- **Trial Courts** (\$217.4 million, 1,238.90 FTE) are the courts of general jurisdiction. A circuit court is located in each of Oregon’s 36 counties. Circuit courts are organized administratively into judicial districts. Some of these, primarily rural, districts include more than one circuit court. However, most of the 27 judicial districts comprise a single circuit court.
- **Administration and Central Support** (\$63.4 million, 160.87 FTE) includes the Office of the State Court Administrator, information systems management, fiscal and human resources management, and centralized state agency assessments.
- **Mandated Payments** (\$16.2 million, 22.61 FTE) includes the cost of providing trial and grand jurors, court interpreters, civil appellate transcript costs for indigent persons, and Americans with Disabilities Act accommodation services.
- **State Court Facilities and Security Account** (\$6.5 million, 4.00 FTE) provides funding for security improvements, emergency preparedness, and business continuity for Oregon’s circuit and appellate courts, supports court facility upgrades.
- **Electronic Court** (“eCourt”) (\$26.7 million, 37.96 FTE) provides funding for a business process reengineering and information technology modernization program. (Electronic Court program area figures reflect the 2013-15 legislatively approved budget.)

### **CSL Summary and Issues**

In the 2013-15 biennium, the Judicial Department is funded with 85.1% General Fund, 14.7% Other Funds, and 0.3% Federal Funds. Other Funds consist primarily of bond proceeds issued to finance the implementation of eCourt, and for capital construction projects in both state and county courthouse facilities. In addition, Other Funds include limited court fee revenues, primarily to support the Legal Aid program and technology projects, Criminal Fine Account funds allocated by the Legislature to support the State Court Facilities and Security Account, eCourt fee revenues, and State Law Library assessment revenue.

The CSL includes \$1.8 million General Fund for compensation plan changes that were implemented in the 2013-15 biennium. OJD did not request or receive funding increases to support the compensation plan changes in its 2013-15 legislatively approved budget. A number of programs are not financed in OJD’s current service level budget. These include:

- Oregon eCourt Implementation – The current service level does not include the costs of completing statewide implementation of the eCourt system. These implementation costs were known and are not unexpected, but they are excluded from CSL because they are bond-funded (Article XI-Q bonds). The cost to complete eCourt total \$17 million of Article XI-Q bond proceeds. The Chief Justice’s Recommended Budget request \$2.9 million of General Fund for debt service costs in 2015-17.
- Oregon eCourt Operations – Support of the ongoing operation of eCourt will require additional personnel. (Individuals who are needed to maintain the system are otherwise funded only temporarily by the Article XI-Q bonds.) Total costs are under evaluation, but could require up to \$1.2 million General Fund and up to \$3.3 million of Other Funds.
- Oregon Courthouse Capital Construction and Improvement Fund (County Courthouses) – The new Multnomah County Courthouse is projected to cost \$250 million. In 2013, the Legislature established a new program to issue Article XI-Q bonds

to cover up to one-half of courthouse capital construction costs. \$15 million of bonds were approved for the Multnomah County Courthouse (and \$4 million for the Jefferson County Courthouse). OJD is requesting \$24.6 million of Article XI-Q bonds for the next phase of the Multnomah Courthouse capital project, an additional \$2.5 million of bonds for the Jefferson County Courthouse, and \$7.8 million for new courthouse projects in Crook, Hood River, Lane, and Tillamook counties (\$34.9 million total). Debt service would equal \$3.8 million General Fund in 2015-17.

### ***Policy Issues***

The agency is requesting \$24.5 million of General Fund and 140 positions (110.41 FTE) above CSL. The requests include \$2.9 million and \$3.8 million of General Fund for debt service on Article XI-Q bonds issued for eCourt implementation (\$11.6 million of bonds), and for county courthouse capital construction projects (\$34.9 million of bonds), respectively. The General Fund requests also include \$4.5 million to increase judicial salaries; twelve positions and \$782,718 for three additional circuit court Judgeships in Multnomah, Washington, and Marion counties; three positions and \$533,512 to restore central support for the Family Law Program; fourteen positions and \$2.8 million for Drug and Specialty Court programs; ten positions and \$1.1 million to provide support to self-represented litigants, especially in Family Law matters; 20 positions and \$2.3 million for increased staffing in circuit courts to increase public access and reduce wait times; 23 positions and \$3.1 million to support eCourt operations and central accounting services; and six positions and \$2.7 million to provide Hearings Referees or Pro-Tem funding for four counties.

In addition to the other Other Funds items listed above, OJD is also requesting \$2.5 million from the Criminal Fines Account for local court security and \$3.7 million from the Criminal Fines Account for local court facilities infrastructure projects; and \$19.8 million of Article XI-Q bond proceeds a seismic retrofit and preservation project for the Supreme Court Building.

### ***Other Significant Issues and Background***

OJD presented a number of reports during the 2014 session and the interim, including two compensation plan change reports, a report on and request for funding for county courthouse capital construction projects, and a report on changes to proposed capital improvement projects. The compensation plan changes included adjustments designed to match the adjustments in executive branch compensation, and implement of broad based compensation changes for management and information technology staff.

The Secretary of State Audits Division released one audit report relating to the Department. A financial review of OJD controls for estimating the level of uncollectible accounts receivable concluded that an overestimate of uncollectible accounts had occurred, and the report recommended that OJD improve the estimating method.

***Co-Chairs' Budget Framework Discussion***

The Co-Chairs' Budget Framework includes current service level funding for the Department to maintain current levels of case processing and court system access. The Framework also identifies completion of eCourt implementation, and funding to support the ongoing eCourt operations, as priority funding items.