



OREGON JUDICIAL DEPARTMENT
Office of the State Court Administrator

February 16, 2016

The Honorable Senator Richard Devlin, Co-Chair
The Honorable Peter Buckley, Co-Chair
Joint Committee on Ways and Means
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048

Dear Co-Chairpersons:

The Oregon Judicial Department (OJD) has been requested to provide a report on the State Court Technology Fund to inform the legislature of its probable resource requirements beginning in the next biennium. OJD will be further discussing these needs and appropriate solutions in the Chief Justice's 2017-19 budget request submitted to the Legislative Assembly.

Executive Summary

The State Court Technology Fund (OJD Tech Fund) was established during the 2013 Legislative session¹ to pay costs² associated with state court electronic systems and services which include:

- Circuit court and tax court case management and financial management systems,
- Appellate court case management and financial management systems,
- OJD Courts ePay – online payment of court-imposed financial obligations,
- OJD eFile/eService – online filing of cases and pleadings, and process serving,
- Guide and File – online self-guided interviews to complete court document filings for certain case types (which can be eFiled or conventionally filed),
- Oregon Judicial Case Information Network (OJCIN) - online public access to court case management information for circuit, tax, and appellate dockets, as well as publicly-available documents in circuit courts,
- Statewide integrations that share information with public safety agencies,
- Statewide education, instruction, trainings, and support for judges and staff on business processes as a result of legislative changes, software upgrades, and continued efforts to improve efficiencies
- Focused outreach efforts to stakeholders who use or are affected by court technology and business process changes
- User support services (help desk/customer service), and
- Network infrastructure to support the above-mentioned systems.

Revenues in the OJD Technology Fund come from OJCIN user fees, a statutorily prescribed portion (4.75%) of civil filing fees, and transaction convenience fees for ePayments. OJD manages costs to the Fund by such actions as negotiating better terms with vendors at contract renewals, and educating

¹ 2013 Regular Legislative Session in HB 2562 (Chapter 685, OR Laws 2013)

² ORS 1.012 provides that the fund will support:

- (a) Developing, maintaining, and supporting state court electronic applications, services and systems and for providing access to and use of those applications, services, and systems; and
- (b) Providing electronic service and filing services

system users on how to most economically use the system to avoid extra costs to them and to system support.

The Fund is projected to have sufficient revenues and cash to cover expenses through the 2015-17 biennium, however, the increasing use of the state court electronic systems and services by external groups and public, the onset of software maintenance costs in 2017, and the complete phase-in of personnel costs are projected to outpace revenues in the 2017-19 biennium and beyond.

Users of these state court electronic systems consist of Oregon state and local government agencies (not charged for their use of the system), private persons, members of the Oregon State Bar, and professional/business users (including title companies, news media, private investigators, financial institutions, landlords, and others). In addition, there are out-of-state business users.

The primary mechanisms being considered to raise additional revenues are directly related to court business functions and include increasing filing and other court fees for non-offense cases, changing the statutorily-dedicated amount of those fees, increasing offense fines, and increasing system-user charges. Another potential option would be to add assessments for state and local government agencies for their system use. Most of these actions would require statutory changes and/or legislative approval to implement.

Program Details

The table below shows projected expenses and revenues for the current and two future biennia. Some factors outside of OJD control will influence the accuracy of these projections, such as eFiling and ePayment user adoption rates or fluctuations in case filing volumes. The following sections describe the revenue sources, their costs, and possible revenue generating solutions.

Expenses:	15-17	17-19	19-21
OJIN Online PS	3,650,000	4,000,000	4,250,000
Tech fund POP 311 PS	2,657,182	4,043,000	4,345,000
ePay	534,000	534,000	534,000
eFile	5,100,000	5,600,000	5,600,000
S&S	910,000	1,050,000	1,210,000
Ody Maintenance	-	2,340,568	3,329,970
Total Costs	12,851,182	17,567,568	19,268,970
Revenues:	15-17	17-19	19-21
Beginning Cash	5,043,939	866,757	
ePay Fees	534,000	534,000	534,000
4.75% filing fees	3,359,000	3,359,000	3,359,000
OJCIN Public Access User Fees	4,781,000	4,781,000	4,781,000
Total Revs + Cash	13,717,939	9,540,757	8,674,000
Surplus (Deficit)	866,757	(8,026,811)	(10,594,970)

Description of Line Item Service Costs and Issues

OJD Courts ePay Online Service and Transaction Costs

OJD Courts ePay is the online payment option that allows users to pay court debt such as court fines and restitution. Nearly 30% of court debt payments (28,000 per month) are made to the courts using ePay.

Tyler Technologies charges a \$1.50 convenience fee per transaction (payment), which OJD currently passes on to the user to pay. The user fee has been reported, however, to be a barrier for some customers who have alternatives to use and avoid the \$1.50 fee. These customers are instead paying in person at the courthouse, making payments over the phone, mailing in their payments, or are choosing not to pay because of the additional charge.

In addition, the ePay convenience fee causes OJD some additional workload when dealing with transactions from people on a payment plan. About 10% of the payments made through the ePay system are made by people on a payment plan. However the ePay system cannot add the transaction fee to the payment plan costs, which means those payments must be adjusted manually to add on the costs to each payment.

OJD is evaluating the impacts of eliminating the ePay convenience fee to encourage more online payments and reduce workload. However, such a change would reduce ePay convenience fee revenues by \$534,000 per biennium but could create more of an incentive to pay online sooner and faster, resulting in increased revenues for the online convenience as an offset.

In addition, now, whenever a credit card is used for payment, online, in person, or on phone, OJD pays for the credit card transaction cost out of another OJD account. Therefore, if this cost is dropped, this would not be a cost assigned in support of the OJD Tech Fund but would be an OJD budget cost assigned with the credit card costs on the same payment.

OJD eFile (includes Guide and File Form Preparation and eService) Services and Costs

OJD eFile allows filers to electronically file, serve, distribute, and deliver court documents in circuit courts that have the Oregon eCourt Case Information system (OECI) and File and Serve. For certain cases/documents, self-represented filers can use interview-style preparation tools to prepare documents for eFiling using the online availability of 'Guide and File'. Filers can eFile 24 hours a day from home, office, or any other location. eFiling kiosks are also available during regular business hours in the 27 courts that have implemented OECI and eFiling. Statewide eFiling in all circuit courts and Tax Court will be available by late 2016.

Tyler Technologies charges \$5.00 per eFile envelope, which can include multiple documents for the same case. Tyler does not charge for criminal case filings, for filings with a fee waiver, or filings from government users, such as the Department of Justice. eFiling charges are paid by OJD with revenue from an increase in court filing fees enacted by the 2013 legislature, which was preferred by court stakeholders in lieu of charging user-paid, per-transaction fees.

Costs for 2015-17 eFile user transaction fees are projected to be \$2.1 million more than the projected revenue the Technology Fund will receive from civil filing fees. Other costs directly attributed to supporting the eFile system include staff wages to support eFile users, to train court staff and external user groups, and to support development of statewide business processes.

The primary users of the eFile service are government agencies, parties in criminal cases, OSB members and professional users. The use of the eFile system is mandatory for OSB members but not mandatory for non-attorneys and pro se (self-represented) filers. Current eFilings account for 51% of all OECI civil filings and 52% of OECI criminal filings (excluding case initiating events).

The volume of eFilings is driven by several factors: the volume of case filings by attorneys in OECI circuit courts, use of expanded features (e.g., Guide and File form creation available on certain civil cases), and expanded use after training for professional users, and new user groups. The anticipated eFile volume has not yet reached its peak and as demonstrated in the table above, OJD expects costs to increase in future biennia as training is expanded to new user groups and user acceptance grows.

Public Access to Oregon Case Information (OJCIN)- Subscriptions

The Oregon Judicial Case Information Network (OJCIN) OnLine is the official website of the Register of Actions, court documents, and judgment records for the Oregon Judicial Department. OJCIN OnLine consists of OECI (Oregon eCourt Case Information Network), OJIN (Oregon Judicial Information Network,

the circuit court legacy system being replaced by OECl), and ACMS (Appellate Case Management System). OJCIN OnLine is a valuable paid subscription resource for court case information from all 36 of Oregon's circuit courts, in addition to the Tax and appellate courts. It allows users to search for civil, small claims, tax, domestic relations, and criminal cases and certain confidential case types if the user is authorized to access (e.g., law enforcement, public defenders). OJCIN OnLine allows access to all three case management systems in place for the Oregon courts. All users must sign agreements containing strict confidentiality and accountability clauses.

The primary user base of the OJCIN system is government users (60%) for whom services are provided free of charge, by statute. The other 40% of bona fide business users are charged user fees and are made up primarily of OSB members, title companies, debt collectors, news media, insurance companies, federal agencies, private investigators, credit/financial companies, and rental/housing agencies.

OJCIN costs include staff wages and equipment. Staff support public-access users (directly and through system maintenance), train court staff and external user groups on new systems/services, and support development of statewide business processes. Equipment includes network infrastructure, and hardware/software costs for the OECl/OJIN/appellate systems. OJD passes on the costs to non-government public-access users by charging user fees through a hybrid model (usage and subscription) until OECl implementation is complete when all of these users will be on a subscription model.

Other non-subscription access to Oregon eCourt Case Information is available for free at public-access terminals in all courthouses. From any courthouse terminal the public can access court information and public documents for all circuit courts on OECl. Public access to court calendars statewide is available via the OJD website. In the upcoming months, free web-based public access to basic case information and court registers via the web will be available.

System Maintenance Costs

The Appellate Case Management System (ACMS) is completely implemented and is in the maintenance phase, which means OJD pays a maintenance fee to receive regular maintenance and upgrades. OJD receives a General Fund appropriation outside of the Technology Fund to pay these maintenance costs. The Circuit Court Case and Financial Management system is nearing complete implementation and will begin the maintenance phase in the 2017-19 biennium. The legislature might choose to include these costs in the Technology Fund which would require additional revenue, or can continue using the General Fund appropriation with other maintenance costs.

Summary

Technology system costs in OJD are funded through a variety of funding sources. Some, but not all, are paid through the State Court Technology Fund. Expanded public and external use and new maintenance costs will require additional revenue to continue these services. OJD will propose a funding package for legislative consideration for the 2017-19 biennium, likely consisting of a combination of increases to current funding sources (court filing fees, OJCIN user fees, and offense fines). OJD can consider other revenue sources if requested by the legislature.

Sincerely,



David T. Moon, Director
OJD Business and Fiscal Services

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