

Judicial Department (OJD)

	2013-15 Actual	2015-17 Legislatively Approved*	2017-19 Current Service Level	2017-19 Chief Justice's Budget
General Fund	399,796,975	433,473,157	462,795,769	480,623,925
Other Funds	62,635,761	147,988,947	42,763,179	298,691,015
Federal Funds	1,067,674	1,606,769	1,339,352	1,339,352
Total Funds	\$463,500,410	\$583,068,873	\$506,898,300	\$780,654,292
Positions	1,879	1,921	1,862	1,958
FTE	1,763.28	1,783.83	1,749.25	1,815.89

* Includes Emergency Board and administrative actions through December 2016.

Program Description

The Judicial Department (OJD) includes the judges and administrative staff who operate general-jurisdiction circuit courts, a Tax Court, an intermediate Court of Appeals, and the Oregon 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 department. The OJD budget additionally provides funding for Legal Aid services, county law libraries, county mediation/reconciliation programs, the Council on Court Procedures, the Oregon Law Commission, and county courthouse capital construction and security budgets.

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 (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 1,862 CSL positions (1,749.25 FTE) are organized into the following program areas:

- **Judicial Compensation** (\$78.1 million, 194 FTE) funds the salary and benefits costs for the state's 194 statutory judgeships.
- **Appellate and Tax Courts** (\$26.5 million, 101.80 FTE) includes the operating costs of the Supreme Court, Court of Appeals, Tax Court (a court of original jurisdiction), plus legal support costs.

- **Trial Courts** (\$235.6 million, 1,250.89 FTE) are the courts of general jurisdiction. A trial (circuit) court is located in each of Oregon’s 36 counties. Circuit courts are organized administratively into judicial districts. Some of these districts, primarily rural, include more than one circuit court. However, most of the 27 judicial districts comprise a single circuit court.
- **Administration and Central Support** (\$80.0 million, 175.95 FTE) provides central services for the court system, and includes the Office of the State Court Administrator with certain associated divisions such as information systems management, fiscal and human resources management, and centralized state agency assessments.
- **Mandated Payments** (\$16.9 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** (\$6.8 million, 4.00 FTE) provides funding for security improvements, emergency preparedness, and business continuity for Oregon’s circuit and appellate courts, and it supports court facility upgrades.

Additional details on the agency and its budget are available in the Legislative Fiscal Office’s 2015-17 Legislatively Adopted Budget Detailed Analysis, which can be accessed at: <https://www.oregonlegislature.gov/lfo/Documents/2015-17%20LAB%20Detailed%20Analysis.pdf> .

CSL Summary and Issues

In the 2017-19 biennium current service level budget (CSL), the Judicial Department is funded by 91.3% General Fund, 8.4% Other Funds, and 0.3% Federal Funds. Other Funds consist primarily of bond proceeds and county matching funds for county courthouse capital construction projects. In addition, Other Funds include expenditures of limited court fee revenues, retained primarily to support the Legal Aid program, and technology projects and operations; and Criminal Fine Account funds allocated by the Legislature to support the State Court Facilities and Security Account. If any new Article XI-Q bonds are approved for county courthouse capital construction projects, the Other Funds total (and percentage of total expenditures) will ultimately increase in the budget. In 2015-17, for example, Other Funds made up 25.4% of the total budget.

The CSL includes \$6.1 million General Fund for the estimated cost of 2015-17 biennium employee merit (i.e., “step”) increases. Employee merit increase costs are not included in the CSL calculation for Executive Branch agencies, so this reflects the different calculation used for the Judicial Department. If the 2017-19 biennium Co-Chairs’ budget includes a provision for salary adjustments, the funds otherwise apportionable to OJD will be reduced by this \$6.1 million already included in the agency CSL.

Other items of note in the OJD CSL calculation include:

- Technology Fund – Implementation of the eCourt system was completed during the 2015-17 biennium. The CSL budget does not, however, include sufficient funding to support full eCourt system utilization. This funding shortfall in the 2017-19 biennium is projected to total \$8.9 million.
- Oregon Courthouse Capital Construction and Improvement Fund [OCCCIF] (County Courthouses) – The 2015-17 biennium budget provided partial support for two county courthouse capital construction projects. Multnomah County received \$17.4 million of Article XI-Q bond proceeds for the second phase of a three-biennium construction schedule. The county needs an additional \$101.9 million of bonds in the 2017-19 biennium to complete the project. Lane County received \$1.4 million of bond proceeds for project planning, and is expected to request an additional \$50 million of bonds for actual project construction. No additional bonds for either of these projects are included in the CSL. OJD included a \$101.9 million request to complete the Multnomah County Courthouse in the Chief Justice’s Recommended budget; a \$50 million request for the Lane County Courthouse is expected in 2019-21.
- Legal Aid – The Legislature established a permanent, \$11.9 million per-biennium dedication of court filing fee revenues to support the Legal Aid program. The Legislature supplemented this with \$800,000 of one-time General Fund support in 2015-17 budget. The CSL does not include this \$800,000, and the funds are not in the agency request budget in a POP request either.
- Third-Party Debt Collection – The OJD budget includes General Fund to pay certain third-party charges for collecting fees, fines, and restitution payments owed to the courts. The charges are levied by the collection agents, and are based on the amount of revenues collected. The collected fee and fine revenues, including added collection charges, are then deposited into the General Fund or the Criminal Fine Account, or transferred to local governments. The amounts collected have increased more than the inflation adjustment allowed in the CSL calculation. It is projected that an additional \$3.3 million of General Fund will be required, above the CSL amount, to pay the collection charges that will be owed in 2017-19. OJD also needed additional General Fund for this same purpose in the current biennium. The Legislature added \$2.34 million General Fund to the 2015-17 biennium budget for Third-Party Debt Collection.

Policy Issues

The Chief Justice’s Recommended budget for the 2017-19 biennium includes \$480.6 million General Fund, equal to \$17.8 million (or 3.9%) above the current service level, and \$44.8 million (or 10.3%) above the prior biennium level. General Fund requests include:

- **New Judgeships (\$2.8 million GF).** This request funds the establishment of nine new Circuit Court judgeships, along with supporting staff. Two judges are added to the Washington County Circuit Court, and one judge is added to the circuit courts in Jackson, Marion,

Multnomah, Clackamas, Deschutes, Josephine and Douglas counties. The ongoing cost of funding the new judgeships will increase to \$7.4 million per biennium, beginning in the 2019-21 biennium.

- **Judicial Salaries (\$3 million GF).** This request funds salary increases for judges to the median salary levels paid to comparable judges in other western states. The total increases range from 12.6% to 14.2% and are phased in over three years. The fully phased-in cost of the increases would total \$9 million GF per biennium, beginning in the 2021-23 biennium.
- **Judicial Hearings Referees (\$1 million GF).** Ongoing costs will increase to \$1.2 million per biennium, beginning in the 2019-21 biennium. The request funds three centralized hearings referee positions that would be assigned to circuit courts to address juvenile dependency hearings, plus a fourth hearings referee and a clerk assigned to the Linn County Circuit Court.
- **Pro Se Facilitation (\$3.2 million GF).** This request funds twenty new positions, including three central positions and 17 family law facilitators at circuit courts, to assist self-represented litigants. The central staff would improve processes for assisting litigants, and the facilitators would provide litigants with information and assist them in preparing and filing required court documents.
- **Multnomah County Violations Bureau [Portland Parking] (\$742,000 GF).** The funds would be used to increase staffing at the Multnomah County Violations Bureau, to address expanding workloads generated by the growth in the number of City of Portland parking citations.
- **Supreme Court Coordinating Councils (\$377,000 GF).** These funds support the establishment of two staff positions, and travel funding, to support the Oregon Supreme Court Council on Inclusion and Fairness and the Tribal, State, and Federal Court Forum.
- **County Mediation & Conciliation Funding (\$2.2 million GF).** This funding expands support for these county-provided services by 26%, to \$9.7 million, and finance a new, statewide Alternative Dispute Resolution Coordinator position in the Office of the State Court Administrator.
- **OCCCIF Debt Service (\$1.1 million GF).** The budget request would fund a portion of the Multnomah County Courthouse replacement project with Article XI-Q bonds sold in 2018. The remainder of that project would be funded with Article XI-Q bonds sold in 2019. The General Fund amount included in this request is to pay debt service on the 2018 bonds (debt service on the bonds sold in 2019 will not be paid until the 2019-21 biennium). The requested amount may be less than what is needed, however.
- **Debt Collection Funding (\$3.3 million GF).** The funding would increase total support for Third-Party Debt Collection charges to \$15.9 million, the charge levels projected to support the collection of \$92 million in revenues by the Department of Revenue and other collection agencies.

- **Additional Staff Attorney for the Oregon Law Commission (\$167,000 GF).** Funding would support additional support for the services of the Oregon Law Commission.
- **Local Court Facilities Infrastructure (\$3.6 million Criminal Fine Account).** The budget requests \$3.6 million of Criminal Fine Account revenues, for support of county courthouse facility improvement projects funded through the State Court Facilities and Security Account. Although these expenditures are Other Funds, they are equivalent to General Fund expenditures in the state budget, because any unspent Criminal Fine Account revenue is transferred to the General Fund. The expenditure level would be a small increase over the \$3.5 million funded in the 2015-17 biennium.

The principal Other Funds requests in the Chief Justice’s Recommended Budget include:

- **State Court Technology Fund (\$10.7 million Other Funds).** These expenditures would fund contractual costs for maintaining the eCourt system, and the transaction-based charges for electronic filing and service. The funds would also continue, and make permanent, seven technology-related positions that were approved for the 2015-17 biennium on a limited-duration basis. OJD is requesting revenue increases to support these expenditures. These increases include a \$5 increase in criminal fines, a 5% increase in civil filing fees, and approximately \$1.5 million of system user fees; all of which would be dedicated to OJD’s State Court Technology Fund. The eCourt system has now been implemented statewide. There are no additional Article XI-Q bond requests to finance system implementation.
- **Oregon Courthouse Capital Construction and Improvement Fund [OCCCIF] (\$212.4 million Other Funds).** This request includes \$106.2 million of general obligation Article XI-Q bonds, plus an equal amount of county matching funds, for three county courthouse replacement projects. The bond total includes \$101.9 million to complete the new Multnomah County Courthouse, \$4.4 million for a new Hood River County Courthouse, and \$1.25 million of planning funds for a new Clackamas County Courthouse. The bond totals also finance the cost of issuing the bonds.
- **Supreme Court Building (\$29.4 million Other Funds).** The project would complete a seismic retrofit and renovation of the Supreme Court Building, and would be funded by general obligation Article XI-Q bonds

Judicial compensation and the establishment of nine new judgeships remain high priorities of the Chief Justice.

Other Significant Issues and Background

A potential requirement that grand jury proceedings be recorded could impose significant costs to OJD if approved.

Co-Chair Budget Framework Discussion

The Joint Ways and Means Committee Co-Chairs' 2017-19 Existing Resources Budget Framework includes a 3.5% reduction from current service level in operating expenditures for agencies in the Judicial Branch of government. The total amount of General Fund expenditures in the OJD current service level budget for operations (i.e., excluding debt service expenditures) is \$442.4 million. A 3.5% reduction applied to the Judicial Department budget would therefore be equal to approximately \$15.5 million. Because of a constitutional prohibition on reducing the salaries of sitting judges, the reduction could not be applied against the \$78.1 million cost of judicial compensation. The reduction level would therefore be equivalent to a 4.25% reduction on the remaining part of the General Fund budget.