

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 3388

80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Measure Description:

Modifies annual salaries of judges of Supreme Court, Court of Appeals, circuit courts and Oregon Tax Court.

Government Unit(s) Affected:

Oregon Judicial Department (OJD), Legislative Assembly

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

Summary of Expenditure Impact:

	2019-21 Biennium	2021-23 Biennium
General Fund	\$7,537,674	\$13,121,786
Lottery Funds		
Other Funds		
Federal Funds		
Total Funds	\$7,537,674	\$13,121,786

Analysis:

This bill specifies the annual salaries for justices of the Supreme Court, and judges of the Court of Appeals, circuit court, and the Oregon Tax Court for the 2019-21 biennium. The bill creates a review and adjustment of judicial salaries on July 1st of each odd-numbered year that ties judicial salaries to a percentage of the annual salary of a federal District Court Judge, beginning July 1, 2021.

This bill also modifies ORS 171.072, which establishes the annual salaries for members of the Legislative Assembly. Under current law, a member of the Legislative Assembly receives an annual salary that equals the greater of two provisions:

- One step below the maximum step of Salary Range 1 in the Management Service Compensation Plan in the executive department as defined in ORS 172.112; or
- Seventeen percent of the salary of a circuit court judge.

This bill deletes the second provision, thereby disconnecting legislative salaries from judicial salaries. Legislative member salaries would be determined only by the first provision connected to the Management Service Compensation Plan.

Oregon Judicial Department

The Legislature sets judicial salaries each biennium. Oregon state judges also receive any cost of living adjustments included in the state’s biennial budget, along with other state employees. By establishing an automatic process for judicial salary increases, this bill eliminates Legislative control over this portion of the Judiciary’s budget.

This bill increases judicial salaries for the 2019-21 biennium between 9.75% and 12.56%, depending on the judicial level. Using an estimate of the salary of a federal district court judge in 2021, the salary increases for all Oregon state court judges in 2021 would increase by about 13% above the 2019 salaries specified in the bill. Increases for state

court judges in future biennia would likely increase about 5%, depending on the actual federal district court judge salary.

This bill would increase General Fund expenditures by \$7,537,674 for the 2019-21 biennium. Based on the 2018 Federal District Court Judge salary of \$208,000, General Fund costs for the increased judicial salaries in 2021-23 would be \$13,121,786.

Legislative Assembly

This bill also disconnects legislator salaries from judicial salaries. Legislator salaries are currently based on the Management Service Compensation Plan option and budgeted for 2019-21 at that value. Budgeted values are anticipated to be sufficient. No fiscal impact is anticipated.