

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: SB 1581**81st Oregon Legislative Assembly – 2022 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed
Versions are Considered Official***Prepared by: Emily Coates
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Date: 2/4/2022**Measure Description:**

Increases annual salary of judges of Supreme Court, Court of Appeals, circuit courts and Oregon Tax Court.

Government Unit(s) Affected:

Oregon Judicial Department (OJD)

Summary of Fiscal Impact:

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

Oregon Judicial Department	2021-23 Biennium	2023-25 Biennium
General Fund		
Personal Services	\$7,006,264	\$19,084,766
Total General Fund	\$7,006,264	\$19,084,766

Analysis:

This measure increases base annual salary of statutory judgeships in the Supreme Court, Court of Appeals, Tax Courts, and circuit courts. This measure modified judicial salaries, which are set by statute by providing for two 10% salary increases: July 1, 2022 and January 1, 2023. The measure declares emergency and is effective upon passage.

The Oregon Judicial Department (OJD) estimates the fiscal impact of this measure to be \$7 million General Fund starting July 1, 2022, for the 2021-23 biennium and \$19 million for the 2023-25 biennium. OJD reports that at the time of salary increases there will be 179 circuit court judges, 13 Court of Appeals judges, seven Supreme Court judges, and one Tax Court judge a total of 200 judicial positions receiving an increase in salary. In addition to the increases in annual salaries, the fiscal impact includes the associated increases to other payroll expenses (Judicial Public Employees Retire System Plan contribution, Social Security Tax, Mass Transit, and an amount for a health plan benefit, which does not increase with a change in salary). Once a statutory judgeship's annual salary is increased, section 1 of Article VII of the Oregon Constitution would apply and which states that "...compensation shall not be diminished during the term for which they are elected."

Under current law, which is unchanged by this measure, statutory judgeships receive a cost-of-living allowance (COLA) based upon any COLA adopted for management service employees in the Executive Branch (ORS 292.428). Approved COLAs for statutory judgeships for the 2021-23 biennium include a 2.5% increase that occurred on December 1, 2021 and a 3.1% increase that will occur on December 1, 2022. As such, the fiscal impact of this measure does adjust base annual wages for statutory judgeships by including the impact for each of the aforementioned COLAs.

The measure does not apply to the costs related non-statutorily established judgeships (such as temporary or pro-tem judges, 50 senior or "Plan B" retired judges, and judicial referees), which are funded separately in OJD's budget.