

ANALYSIS

Item 1: Judicial Department Compensation Plan Changes

Analyst: John Borden

Request: Acknowledge receipt of a report on compensation plan changes.

Analysis: By statute, the Chief Justice of the Oregon Supreme Court, as the administrative head of the Oregon Judicial Department (OJD), is to establish and maintain a department-wide personnel plan (ORS 1.008). The personnel plan includes a classification and compensation structure as well as other benefits. Statute directs that the plan be in reasonable conformity with the general salary structure of the state (ORS 240.245) and that prior to implementing any changes to the plan, a report must be submitted to the Legislature (ORS 8.105(1)). The Department provided timely notice of the proposed compensation plan change on August 25, 2025.

Personnel Plan/Exempt Service Employees

The 2025-27 legislatively adopted budget for the Judicial Department includes 1,997 positions (1,943.75 FTE) subject to the Chief Justice’s personnel plan. The Chief Justice is proposing two ongoing Cost-of-Living Allowance (COLA) adjustments, including a 2.5% COLA effective February 1, 2026, and a 4% COLA effective January 1, 2027. In addition, the Chief Justice is planning to provide an additional top step to each salary range effective February 1, 2027. Any employee who has been at the top step of their salary range for more than one year prior to February 1, 2027, will be eligible for the new top step. These compensation changes are identical to those changes negotiated in the Executive Branch by the Service Employees International Union and the American Federation of State, County, and Municipal Employees union.

The estimated cost to OJD would be \$15 million total funds for the 2025-27 biennium and \$42.2 million total funds for the 2027-29 biennium. The estimated costs include both salaries and wages and other payroll expenses. Approximately 95% of the total funds cost is supported by the General Fund. The following table provides a summary of the estimated costs by biennia.

Estimated Comp. Change	Effective Date	2025-27 Totals Funds	2027-29 Total Funds
COLA #1	02.01.2026	\$ 8,497,088	\$11,995,885
COLA #2	01.01.2027	\$ 4,918,315	\$19,673,258
Top Step	02.01.2027	\$ 1,606,474	\$10,559,420
Total		\$ 15,021,877	\$42,228,563

The Chief Justice is also proposing two other classification and compensation plan changes, effective October 1, 2025, that will have no budgetary impact. The changes include the establishment of a Director of the Office of Education, Engagement, and Inclusion and a Director of Court Programs, with the abolishment of two corresponding classifications.

State Statutory Judgeships

The 2025-27 legislatively adopted budget for the Judicial Department includes a total of 207 statutory judgeships (206.00 FTE), of which there are 186 circuit court judges, 13 Court of Appeals judges, and seven Supreme Court justices, and one Tax Court Judge.

Judicial salaries are set in statute and not subject to the Chief Justice's personnel plan. Since 2015, state law has required that judicial salaries be adjusted on an ongoing basis to match the COLAs awarded to management service employees in the executive branch (ORS 292.428). If the Executive Branch awards the two ongoing COLAs to management service employees, then the estimated cost for statutory judgeships would be \$3.5 million General Fund for the 2025-27 biennium and \$9.1 million General Fund for the 2027-29 biennium.

Estimated Comp. Change	Effective Date	2025-27 General Fund	2027-29 General Fund
COLA #1	02.01.2026	\$ 2,208,379	\$ 3,426,199
COLA #2	01.01.2027	\$ 1,278,263	\$ 5,620,559
Total		\$ 3,486,642	\$ 9,046,758

The estimated costs include both salaries and wages and other payroll expenses and are inclusive of two 10% increases to judicial salaries beginning July 1, 2025, and July 1, 2027. Because judicial salaries are limited to a single step set by statute, they are ineligible for the addition of a top step.

Compensation Plan Funding

The 2025 Legislature established a \$300 million special purpose appropriation to the Emergency Board for the General Fund costs of employee compensation changes across all three branches of government. An Emergency Board or legislative decision to allocate this funding will be decided at a future date.

Recommendation: The Legislative Fiscal Office recommends that the Joint Interim Committee on Ways and Means acknowledge receipt of the report.

01
Oregon Judicial Department
Beck

Request: Report on classification and compensation changes by the Oregon Judicial Department.

Recommendation: The Oregon Judicial Department is not under executive budgetary authority.

Discussion: The Oregon Judicial Department (OJD) proposes changes to the agency's classification and compensation plan to be effective during the 2025-27 biennium. OJD is reporting these changes in accordance with ORS 8.105(1):

ORS 8.105(1): Before making any change to a compensation plan, an administrative division of the judicial department must submit the proposed change to the Joint Committee on Ways and Means during the period when the Legislative Assembly is in session, or to the Emergency Board or the Joint Interim Committee on Ways and Means during the interim period between sessions.

Cost-of-Living Adjustments:

ORS 240.245 requires the Judicial Branch to maintain a compensation plan in reasonable conformity with the general salary structures of the state. Following the 2025 Legislative Session, Governor Kotek announced a compensation plan adjustment for the Executive Branch employees. This adjustment includes a 2.5 percent cost-of-living adjustment (COLA) increase effective February 1, 2026, and a second COLA increase of 4.0 percent effective January 1, 2027. To meet the requirements of ORS 240.245, the Chief Justice has elected to adopt the same compensation plan as the Executive Branch for OJD.

The budgetary impact for OJD is estimated to be \$12.6 million General Fund in 2025-27 and \$29.8 million General Fund in 2027-29. The funding required to implement the plan is anticipated to be received from the statewide Salary Compensation Special Purpose Appropriation during the 2026 Legislative Session.

ORS 292.428 requires that salaries of elected judicial positions receive the same COLA increase that is awarded to management service employees in the executive branch. At the time of this analysis, those increases have not yet been announced. If the COLAs were the same as those for represented employees, OJD estimates a budgetary impact of \$3.5 million General Fund in 2025-27 and \$9.1 million General Fund in 2027-29.

Additional Top Step:

The Chief Justice has also elected to implement an additional top step for each compensation range effective February 1, 2027, in alignment with a similar plan announced by the Department of Administrative Services for the executive branch. All OJD employees who are at the top step for at least one year prior to implementation will be moved to the newly created top step in the salary range on February 1, 2027. Those at the top step for less than a year will have their prior Benefit Service Date restored and

will be eligible for the new top step on their next Benefit Service Date after implementation. This differs somewhat from DAS's new top step plan, which uses 10 years of state service rather than one year at the top step as criteria for movement to the new top step. The budgetary impact to OJD is estimated to be \$1.5 million General Fund in 2025-27 and \$9.8 million General Fund in 2027-29.

Classification Plan Changes:

OJD has also completed a study of two new job profiles that would be added and identified two existing profiles to be abolished in order to address changing organizational needs. The new classification and compensation plan includes new job profiles for Directors of the Office of Education, Engagement and Analysis and the Court Programs Division. Job profiles for the Directors of the Juvenile and Family Court Programs Division and the Civil and Criminal Court Programs Division are abolished. These prospective changes to the classification and compensation plan will be effective October 1, 2025, and will affect two of OJD's 2,204 authorized positions. There is no budgetary impact associated with these changes in the 2025-27 or 2027-29 biennia.



OREGON JUDICIAL DEPARTMENT
Office of the State Court Administrator

August 25, 2025
(SENT BY EMAIL)

The Honorable Kate Lieber, Co-Chair
The Honorable Tawna Sanchez, Co-Chair
Interim Joint Committee on Ways and Means
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048

Re: Classification and Compensation Plan Change Report

Dear Senator Lieber and Representative Sanchez:

Nature of Request

The Oregon Judicial Department (OJD) is providing this report on prospective OJD compensation plan changes for its employees during the 2025-27 biennium. This letter reports cost-of-living adjustments (COLAs), a modification to salary ranges and changes to four job classification profiles within OJD.

ORS 8.105(1) provides:

Before making any change to a compensation plan, an administrative division of the judicial department must submit the proposed change to the Joint Committee on Ways and Means during the period when the Legislative Assembly is in session, or to the Emergency Board or the Joint Interim Committee on Ways and Means during the interim period between sessions.

This report also includes information on potential changes to judicial compensation to be implemented as provided by ORS 292.428

OJD Compensation Plan Actions – COLAs

Background Authority: The Chief Justice of the Oregon Supreme Court is the administrative head of OJD, the state-funded unified court system. ORS 1.008 directs the Chief Justice to establish and maintain a personnel plan for OJD employees. The statewide OJD personnel plan includes the classification and compensation structure for exempt service OJD employees. Under ORS 240.245, the salary plan for exempt service employees must be in reasonable conformity with the general salary structure of the state.

In the months since the 2025 legislative session adjourned, the Department of Administrative Services (DAS) has announced proposed compensation plan changes for employees in the executive branch. The Chief Justice has elected to adopt the same COLAs as proposed in the executive branch; specifically, a 2.5% COLA increase effective February 1, 2026, and a second COLA increase of 4.0% effective January 1, 2027.

The anticipated costs associated with the two staff COLAs, including the cost for taxes and benefits, are summarized below. OJD expects that funding for these changes, as well as regular step increases, will be addressed through the legislative Emergency Board reservation for state employee compensation plan changes.

Biennium	General Fund Impact	Other Funds Impact	Federal Funds Impact
2025-27 Biennium	\$12.63 million	\$0.68 million	\$113,006
2027-29 Biennium	\$29.80 million	\$1.60 million	\$266,769

Additional Top Step

DAS also announced that the state (executive branch) will add an additional top step to each compensation range effective February 1, 2027. Similarly, the Chief Justice has elected to implement an additional top step effective with the same implementation timing.

Consistent with the executive branch, all OJD employees who are at the top step for one year or more prior to implementation of the new top step will be moved to the next step in the salary range on February 1, 2027. All employees who are at the top step for less than a year prior to implementation of the new top step will have their prior Benefit Service Date (BSD) restored, using the same month and day, and will be eligible to move to the new top step on their next BSD after implementation.

The anticipated cost associated with adding a step is summarized below:

Biennium	General Fund Impact	Other Funds Impact	Federal Funds Impact
2025-27 Biennium	\$1.5 million	\$0.10 million	\$6,474
2027-29 Biennium	\$9.8 million	\$0.70 million	\$59,420

Compensation Actions – Judges

ORS 8.105 does not apply to reporting of the salaries of elected judicial positions, as they are not employees subject to the Chief Justice’s OJD employee compensation plan. Instead, ORS 292.428 provides that judicial salaries will receive the same COLA increase as awarded to management service employees in the executive branch. At the time of this letter those increases had not been announced. For informational purposes, if management service employees, and by extension judges, receive the same COLAs as those announced for represented employees the cost including taxes and benefits would be as follows:

Biennium	General Fund
2025-27 Biennium	\$3.49 million
2027-29 Biennium	\$9.05 million

OJD Classification Plan Changes

OJD provides a total compensation package (pay, benefits, and retirement) that values the experience, education, and continued service of prospective and current employees. Classification and compensation are established through internal and external comparisons to market, with consideration for fiscal capabilities and responsibility, and in compliance with both federal and state laws. OJD’s compensation structure should be competitive for both new hires and long-term employees based on the labor market.

OJD has completed a study of two new job profiles that would be added to address changing organizational needs. Also, two existing profiles are no longer needed and are being abolished. These prospective changes to the classification and compensation plan will be effective October 1, 2025, and will affect two of OJD’s 2,204 positions authorized in the 2025-27 Legislatively Adopted Budget.

The additions to OJD’s classification and compensation plan and the placement of new job profiles on their respective compensation grades are detailed in Attachment 1.

There are no costs associated with these changes in the 2025-27 or 2027-29 biennia.

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OJD Budget: No budget impact.

Action Requested

OJD requests acknowledgment of the receipt of this report of change to the OJD classification and compensation plan as provided in ORS 8.105(1) and ORS 292.428.

Legislation Affected

None.

Sincerely,

A handwritten signature in black ink, appearing to read "Nancy J. Cozine". The signature is fluid and cursive, with a large loop at the end.

Nancy Cozine
State Court Administrator

NC:kl/25eNC001kl-jm
Attachment

ec: Chief Justice Meagan A. Flynn
Amanda Beitel, Legislative Fiscal Officer, LFO
Kate Nass, Chief Financial Officer
John Borden, Principal Legislative Fiscal Officer, LFO
Kendra Beck, Policy and Budget, DAS-CFO
David Moon, Director, BFSD, OJD
Jessica Roeser, Asst. Deputy SCA for Operations, OJD

Attachment 1—Changes to the Oregon Judicial Department Personnel Classification and Compensation Plan Effective October 1, 2025

Table 1. New Job Profiles

OJD Job Profile Title	Job Code	Job Family	Type
Director, Office of Education, Engagement and Inclusion	9585	Statewide Law, Policy, Procedure	New
Director, Court Programs Division	9584	Statewide Law, Policy, Procedure	New

Table 2. Abolished Job Profiles

OJD Job Profile Title	Job Code	Job Family
Director, Juvenile and Family Court Programs Division	8935	Statewide Law, Policy, Procedure
Director, Civil and Criminal Court Programs Division	8934	Statewide Law, Policy, Procedure

Director, Office of Education, Engagement and Inclusion

The Director of the Office of Education, Engagement, and Inclusion (OEEI) oversees and manages judicial and staff education, engagement, and inclusion initiatives and programs across the Oregon Judicial Department (OJD). The OEEI Director assists the Chief Justice and the State Court Administrator to establish and supervise education programs for judges and staff under ORS 8.125, including coordinating and promoting the strategic initiatives and leadership objectives of OJD to develop a knowledgeable workforce.

The Director of the Office of Education, Engagement, and Inclusion job profile was established at compensation grade 34 to maintain parity with similar level positions within the Office of the State Court Administrator (OSCA), two of which are being abolished. One incumbent will be placed into this new job profile.

OJD Job Profile Title	Job Code	Job Family	Grade
Director, Human Resource Services Division	8888	Human Resources	34
Director, Juvenile and Family Court Programs Division	8935	Statewide Law, Policy, Procedure	34
Director, Civil and Criminal Programs Division	8934	Statewide Law, Policy, Procedure	34

Director, Court Programs Division

The Director of the Court Programs Division (CPD) oversees and manages the development, implementation, and evaluation of civil, criminal, juvenile, family, and behavioral health court programs for statewide application in the courts and use by the public and government stakeholders. The position also oversees and manages OJD's statutory Citizen Review Board program under ORS 419A.090-419A.128, OJD's statewide pretrial program (see ORS 135.233, ORS 135.235), and OJD's statewide treatment court program (see ORS 137.680). The Director coordinates these services

and programs for the courts and OSCA divisions consistent with the needs and business requirements of OJD and applicable federal and state laws.

The Director of the Court Programs Division job profile was established at compensation grade 35 to maintain parity with similar level positions within the Office of State Court Administrator. One incumbent will be placed into this new job profile.

OJD Job Profile Title	Job Code	Job Family	Grade
Director, Government Relations and Communications	9616	Government Relations and Communications	35
Director, Business and Fiscal Services Division	8826	Budget	35
Director, Enterprise Technology Services Division	8899	Information Technology	35
General Counsel	8936	Statewide Law, Policy, Procedure	35