

**Oregon Judicial Department (OJD)
Preliminary Reduction Plan
2007-09 Biennium**

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Summary Amounts

	2007-09 LAB	5% Reduction	1.2% Similar to Disappropriation %
Operations	\$305.9	\$15.3	\$3.7
Mandated Payments	\$15.4	\$0.8	\$0.2
Combined	\$321.3	\$16.1	\$3.9

The impact of a 5 percent reduction to the full biennial budget at this point in the biennium would increase the effective impact to a 20 percent reduction to all programs. A 20 percent reduction level is more than the OJD can absorb or sustain.

The impact to OJD’s operating budget is additionally impacted by those dollar amounts that we are unable to reduce for judicial compensation, state assessments, legal aid pass through grant, and unemployment costs (\$70.2 million during the 2007-09 biennium). The reduction amounts above bring the impact to the general fund dollars OJD can reduce to 6.5 percent over the biennium or 26 percent over the final 6 months of the biennium.

The tables on the following pages provide the general reduction plan information for both a 1.2 percent level that is similar to the Governor’s disappropriation action for Executive Branch agencies and information for the additional impact to OJD for a full 5 percent biennial reduction to the budget.


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Table 1a

Operations appropriation reduction target - \$3.7 million (1.2% reduction of biennial budget which is equivalent to Executive Branch disappropriation percentage)		
Funding Sources	Estimated Savings	Comments
Accrued vacancy savings across the courts/divisions over the first 18 months of the biennium.	\$1.0 million	Courts/divisions began delaying recruitment and hiring decisions toward the beginning of the biennium when revenue forecasts began to decline.
Courts/divisions use accrued savings to cover one-half of benefit increases for calendar year 2009.	\$0.2 million	Appropriated amount held centrally until Dec. 08 when individual court/division costs are identified.
Manage to the current level of vacancies 1/09 through 6/09.	\$1.5 million	Assumes approximately 50 FTE General Funded vacancies each month. This level is higher than OJD's normal rate of vacant positions (see first comment).
Maintain specific operational parameters (e.g., travel and procurement activities) between 1/09 and 6/09.	\$0.2 million	Specific parameters in development.
Additional operational adjustments, program changes, or fund shifts.	\$0.8 million	Specific implementation strategies will be identified as OJD completes a full statewide budget reduction planning process. Specifics about the planning process were provided to LFO on 12/17/08.
Total Estimated Savings	\$3.7 million	

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Table 1b

Operations appropriation reduction target additional - \$11.6 million (additional amount to reach 5% of total 2007-09 appropriation level requested by Legislative Fiscal Office for reduction plan)		
<p>Following the December meetings of the trial court administrators, the presiding judges, and the judicial council, Chief Justice De Muniz appointed a Budget Reduction Advisory Committee (BRAC) to complete the implementation philosophy and strategy for any reduction plans for the OJD. The BRAC will be meeting during January to develop system and local approaches and strategy recommendations.</p>	<p>\$11.6 million</p>	<p>Eighty two percent of the Operations budget is personal services costs. As a result, OJD could not reduce its budget by \$11.6 million only through staff attrition and holding of vacancies. However, significant reductions in staff would not allow the courts to perform its core function of government that includes constitutional and statutorily mandated activities with designated timeframes (see attachment). As a result there would need to be substantive law revisions to either allow longer timeframes or to change the statewide model of court operations.</p> <p style="text-align: center;"> 08-SC-MJZ3h - Statutory Time Requir</p> <p>The alternative is that sufficient funding to run the branch at current levels would cease in May.</p> <p>If we are directed to cut our budget by this amount, the unfortunate result will be the elimination of core services and many of the improvements funded in recent years by the Legislature potentially including drug courts and other problem-solving courts, mediation and facilitation of dispute resolution. It could also impact the ability of the Department to implement Oregon eCourt. These actions would reduce the quality of judicial services – not just the quantity or timeliness – by eliminating effective practices. These cuts will come at a time when Oregonians in all walks of life increasingly will turn to the courts to resolve their problems in a fair, effective manner.</p>
Combined Savings Amount	\$15.3 million	

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Table 2a

Mandated Payments appropriation reduction target - \$0.2 million (1.2% reduction of biennial budget which is equivalent to Executive Branch disappropriation percentage)		
Funding Sources	Estimated Savings	Comments
Accrued savings over the first 18 months of the biennium due to management decisions in the interpreter and juror costs put in place to mitigate ever increasing workload impacts.	\$0.15 million	OJD has worked throughout the biennium to improve management of costs in the area of mandated payments. This is a continuing effort to ensure OJD is providing these mandated services in the most cost-effective manner possible.
Accrued savings over the remaining 6 months of the biennium.	\$0.05 million	See comment above.
Total Estimated Savings	\$0.2 million	

Table 2b

Mandated Payments appropriation reduction target additional - \$0.6 million (additional amount to reach 5% of total 2007-09 appropriation level requested by Legislative Fiscal Office for reduction plan)		
Following the December meetings of the trial court administrators, the presiding judges, and the judicial council, Chief Justice De Muniz appointed a Budget Reduction Advisory Committee (BRAC) to complete the implementation philosophy and strategy for any reduction plans for the OJD. The BRAC will be meeting during January to develop to develop system and local approaches and strategy recommendations.	\$0.6 million	Some savings will result in the mandated payments appropriation due to the court operations reductions. However, this level of cut may not be feasible to absorb given the amount of mandated work required within this appropriation. The management required to reduce costs would include the need to delay or reset non-felony, out of custody and civil type jury trials and similarly delay any trials that can be delayed that are requiring the use of interpreters and setting them into the next biennium. This solution is problematic given the anticipated shortage of funds for the next biennium as well.
Combined Reduction Amount	\$0.8 million	