

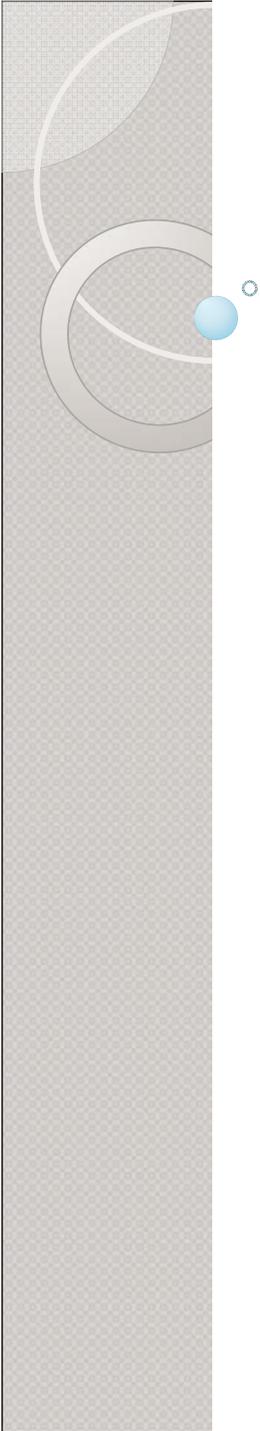


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Oregon Judicial Department

Joint Committee on Ways and Means Subcommittee on
Public Safety

Monday, April 24, 2017



State Funding for Court Facilities

Timeline of Legislative Actions for Courthouses

- **1981:** State establishes unified court system
 - Assumes responsibility for indigent defense and circuit court operations, supplies, and personal property
 - Counties retain responsibility for court facilities and security
- **2007:** Legislative Interim Committee on Court Facilities
 - Developed standards for court facilities
 - Commissioned the assessment of the 48 court facilities
- **2011:** State support for courthouse capital improvements
 - Allocation from Criminal Fine Account (CFA)
- **2013:** State bond support for courthouse replacement projects
 - Allows state bond match (up to 50%) for court portion of project
 - For cost-effective replacement of unsafe facilities
 - Administered by OJD and DAS
 - State has leasehold interest in facility during life of state bonds

Courthouse Improvement Funds Sources CFA or OCCCIF

- **Capital Improvement through CFA (POP 412)**
 - Funded at \$3.0 – 3.6 million per biennium
 - Focus on life/safety, ADA, urgent repair needs
 - Association of Oregon Counties recommends priorities to OJD
 - No match required
- **State Bonds through OCCCIF (POPs 410; 411)**
 - Replace unsafe courthouses
 - State match 25% or 50% (co-location of state office)
 - Article XI-Q bonds for construction match, General Fund for debt service
 - Chief Justice and Dept. of Admin Services approve projects



Criminal Fine Account (CFA)

- Funds collected by State and local courts
- From fines on crimes and offenses
- Statute authorizes specific recipients
 - Includes State Court Facilities and Security Account
- Funded each biennium through budget process

Courthouse Improvements – CFA

- **Status of 2015-17 Projects**

- Some 2015-17 projects were completed under budget or no longer are being pursued
 - Completed or in progress:
 - **Clatsop**: Roof repair and backup generator
 - **Coos**: HVAC
 - **Grant**: Elevator
 - **Harney**: Boiler
 - **Malheur**: Life/safety projects
 - **Wallowa**: Life/safety projects
 - Projects not initiated:
 - **Douglas** and **Josephine**: Single point of access

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Courthouse Improvements – CFA (cont.)

- **Revised 2015-17 Project List**
 - Re-purpose \$500,000 in 2015-17 funds to complete top priority from 2017-19 request
 - Replace hot/cold water lines in Douglas County courthouse
 - 40-year-old galvanized pipes have deteriorated and are corroded
 - Hot water has been turned off for 10 years



Picture of galvanized, deteriorated, and corroded pipe from Douglas County courthouse

Revised 2017-19 – POP 412

- Updating the priority list for Courthouse Infrastructure POP that is requesting \$3.6 million Other Funds (CFA):
 - **Tillamook** courthouse remodel
 - \$1.5 million with equal county match
 - Addresses unsafe/inadequate court space in lieu of replacement
 - **Douglas** courthouse water pipes
 - \$500,000 (to be funded from 2015-17 funds)
 - Remaining priorities are unchanged
 - Projects selected based on readiness, efficiency of combining projects, and matching funds.
 - **Benton**: Roof repair, boiler replacement
 - **Clatsop**: Security upgrades, courtroom AV, elevator
 - **Columbia**: Dry rot, safety alert system, backup generator, HVAC
 - **Grant**: Window replacement
 - **Jackson**: Blower fan, HVAC controls, backup generator/switch
 - **Wasco**: Window replacement
 - **Wheeler**: Roofing



Oregon Courthouse Construction and Capital Improvement Fund (OCCCIF)

- Consists of Article XI-Q bond proceeds
- Legislature can authorize other funds for OCCCIF
- Help counties replace unsafe courthouses
- State match for court/state portion only
- Limitation request includes county matching funds

Courthouse Replacements – OCCCIF

- **State Bonds through OCCCIF (POPs 410; 411)**
 - 50% match of court/state portion of the project with co-located state office
 - 25% match without co-location
 - DAS and OJD must approve the project plan
 - Chief Justice must make three (3) findings:
 - Structural defects, including seismic, threaten human health / safety
 - New courthouse or remodeling another facility is more cost effective than remodeling current courthouse
 - Opportunity to co-locate court with other state offices
 - Debt service also in OJD budget

Courthouse Capital Construction & Improvement

Policy Option Package 410 – Oregon Courthouse Capital Construction and Improvement Funds: (\$212.4 million OF) *Provides state bond matching funds for courthouse replacement projects in Multnomah, Clackamas, and Hood River counties.

Expected Outcomes of Packages:

- Completes construction funds for Multnomah (\$93M in May '18, Mar '19)
- Provides construction-related furnishings in Multnomah (\$8.9M)
- Funds new replacement project in Hood River (\$4.4M)
- Provides planning funds for new project in Clackamas (\$1.25M)

*Lane County requested \$5 million in state bond matching funds after submission of the Chief Justice's budget. The request is not included in POP 410.

The requested limitation allows expenditure of state bond proceeds and county matching funds deposited in the OCCCIF.



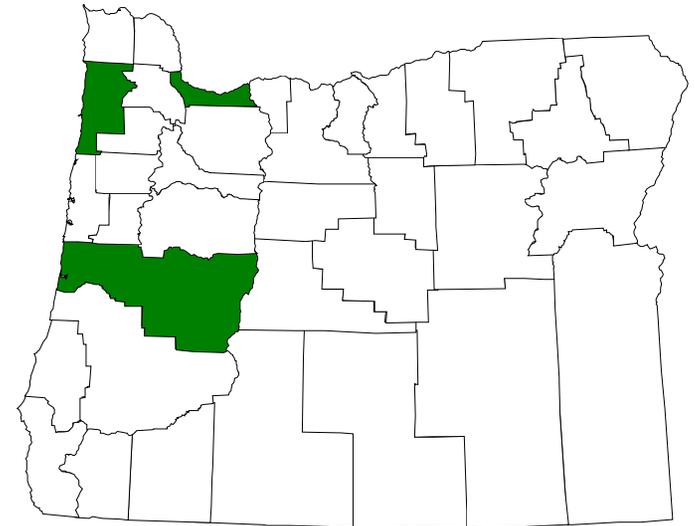
Multnomah County Courthouse Rendering

OCCCIF Report to Emergency Board

- Budget note requested report with:
 - Priority ranking and projected costs of *potential* requests for replacement projects within next 12 years, and
 - Recommendations to stabilize funding requests.
- Report prepared in conjunction with Association of Oregon Counties

First Priority: Finish Current Projects

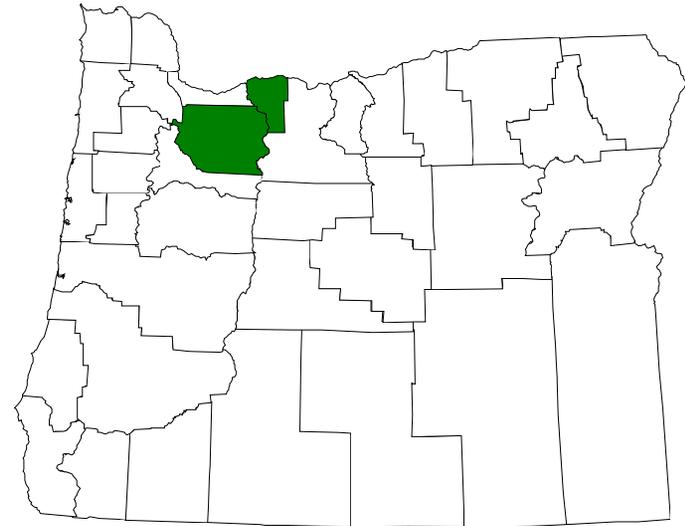
- **Multnomah County**
 - Construction funds, FF&E in 2017-19
- **Tillamook County**
 - Request withdrawn by county
- **Lane County**
 - Planning funds authorized in 2016
 - Supplemental request in 2017-19
 - Construction funding in 2019-21



Second Priority: 2017-19 Requests

- **Hood River County**
 - One-time request for \$4.4 million

- **Clackamas County**
 - \$1.25 million for planning
 - Two subsequent construction requests
 - Estimates, subject to change
 - \$28.8 million in 2019-21
 - \$48.2 million in 2021-23



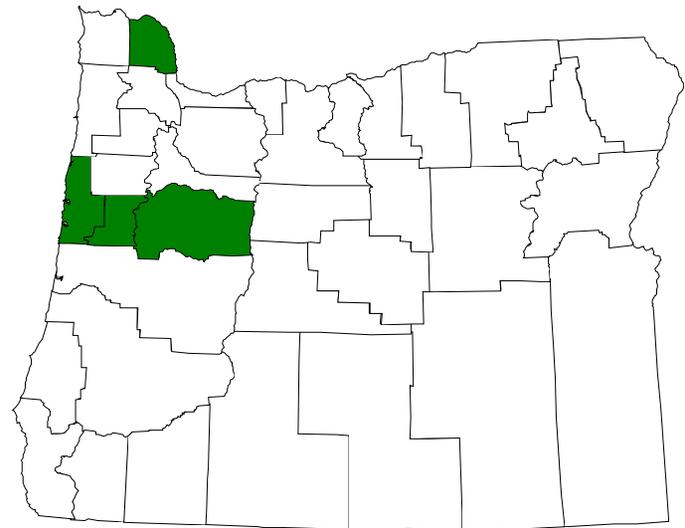
Third Priority: Future Requests*

- **Benton** County
 - \$1 million for planning (2019-21)
 - \$5.7 million for construction (2021-23)

- **Columbia** County
 - \$9.6 million in 2023-25

- **Linn** County
 - \$13.4 million in 2019-21

- **Lincoln** County
 - Unspecified request in 2019-21



*All costs are estimates, subject to change

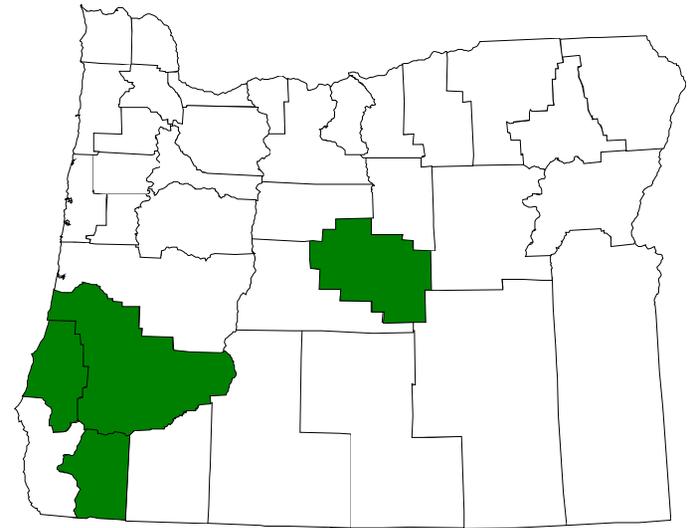
Third Priority: Future Requests (cont.)

- **Crook** County
 - No cost estimate or timeline

- **Douglas** County
 - No cost estimate, 2023-25 at earliest

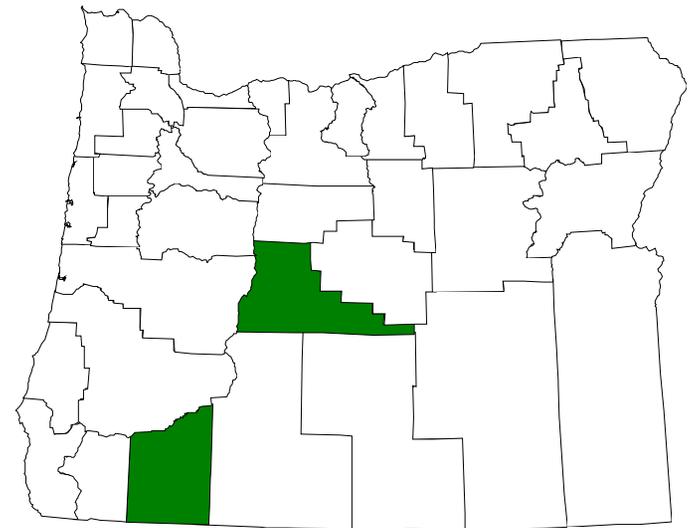
- **Coos** County
 - No cost estimate or timeline

- **Josephine** County
 - No cost estimate, 2023-25 at earliest



Fourth Priority: Future Requests with Law Change

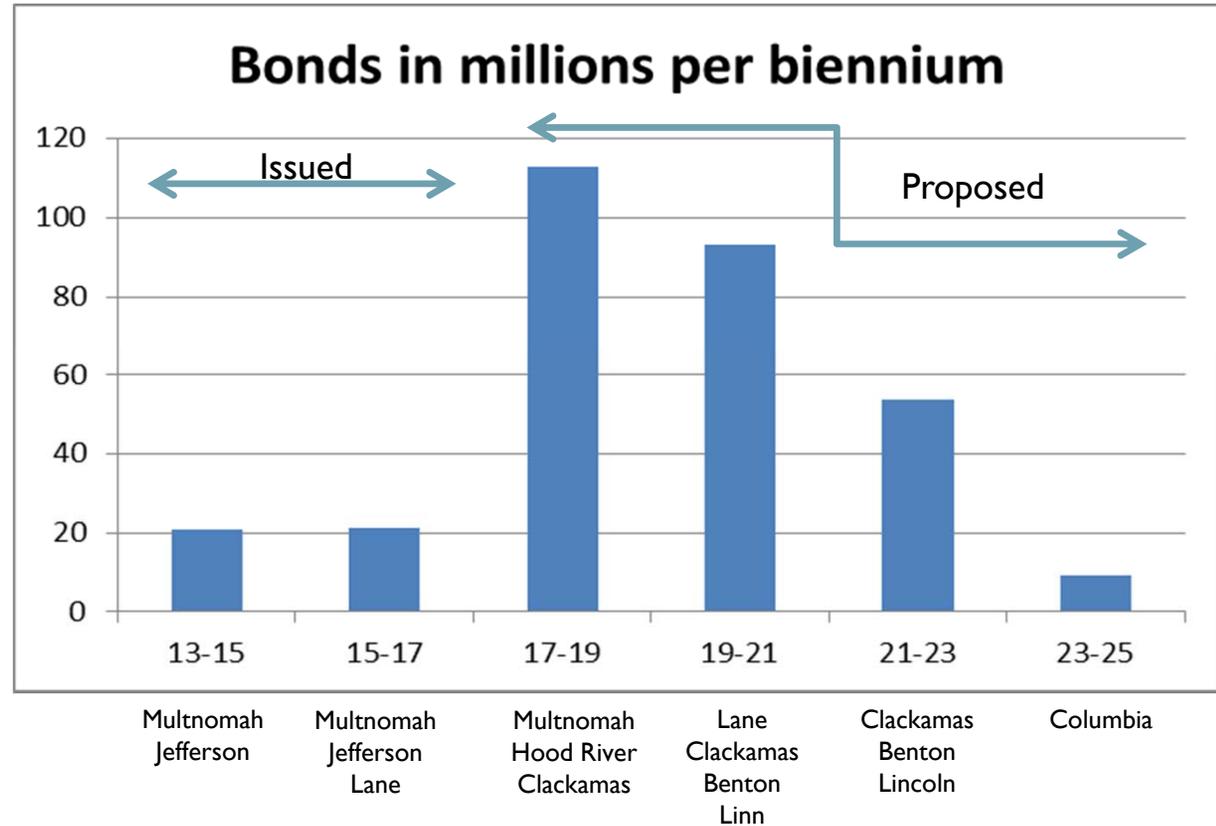
- If law changed to authorize state matching fund support for courthouse expansions
- **Deschutes** County
 - If new judge(s) authorized
 - Estimated cost: \$2.3 – \$5.5 million
- **Jackson** County
 - If new judge(s) authorized
 - Estimated cost: \$3.7 – \$7.4 million



OCCCIF Report to Emergency Board

Actual and Potential Bond Requests, 2013-2025

OCCCIF
XI-Q Bonding
20 – 25 year term



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Recommendations

1. Communicate to Chief Justice any target funding level
 - If no target, then requests will continue to be based on number of projects, project size, and readiness of county to manage and fund a courthouse project.
2. Provide statutory authority to Chief Justice to adopt formal criteria for the timing, process, and review of county requests
 - Current process is relatively informal.
 - Criteria could include expectations on what information must be provided at various stages of review; what counties must have in place to apply for or receive state funding; more consistent application of 2007 courthouse standards; etc.
3. Enhance State project management resources
 - OJD is current project manager, but no specific resources/expertise.
 - Currently contract with DAS.
 - Increase DAS capacity, support State 'owners representative' for projects.

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Recommendations (cont.)

4. Provide phased bond sale funding

- State bonds provide matching funds on reimbursement basis.
- Bond timing is crucial to county project management and cash flow planning.
- Limiting State bond sales to the end of each biennium can create significant financing burden and add project risks.

5. Extend the time county expenditures count toward match

- County match starts when project is approved for bond funding and DAS issues 'intent to reimburse'.
- OJD can explore mechanism/criteria to allow some previous expenditures.

6. Establish a stage gate approach to project funding

- Provide clear expectations on what information/plans must be in place at various funding stages (e.g., planning, construction).

7. Clearly define expectations for co-location

- State makes significant additional investment if state agency is co-located with the court.
- No current identified goal or criteria (e.g., State rent savings, provide more efficient agency interaction with court, minimum space provided to qualify, etc.)

QUESTIONS?

