



OREGON JUDICIAL DEPARTMENT
Office of the State Court Administrator

February 10, 2025
(SENT BY EMAIL)

The Honorable Anthony Broadman, Co-Chair
The Honorable Paul Evans, Co-Chair
Joint Committee on Ways and Means
Subcommittee on Public Safety
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048

Re: Responses to Committee Questions on February 5, 2025

Dear Co-Chair Broadman and Co-Chair Evans:

Thank you for inviting us to present information about the Oregon Judicial Department (OJD)'s Court-Generated Revenue and the Criminal Fine Account to the subcommittee on Wednesday. I am writing today to provide additional information to questions asked by subcommittee members.

1. Representative Chotzen asked OJD to provide year-to-year breakdowns of the cost to collect outstanding court-imposed judgments.

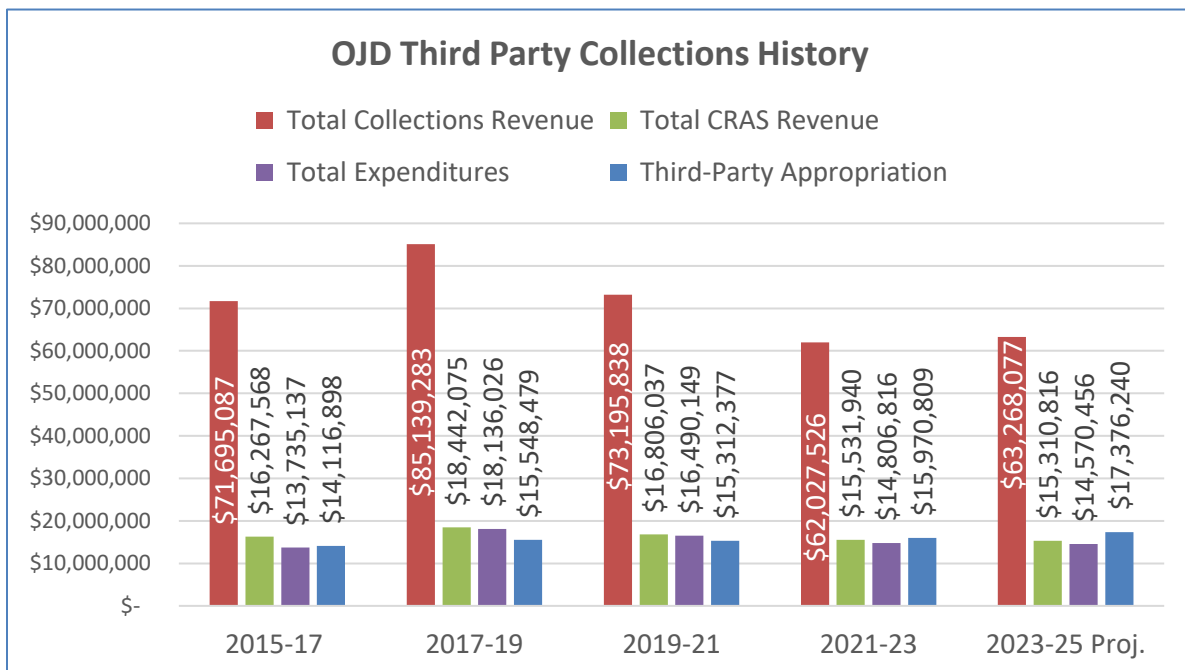
As discussed in the hearing, collection activities are performed by court staff until such time as the debtor has been delinquent for one year, at which time those judgments are sent to the Department of Revenue (DOR) and a private collection firm (third-party collectors) to continue collection efforts. Circuit court judgments for fines and fees are enforceable for the 20-year or 50-year life of the judgment.

OJD staff collect 70 percent of total revenue collected by OJD, by cashiering payments at the time the judgment is imposed, administering the online ePay system, and setting up payment plans. We do not have detailed information on those staff costs, especially since many of those positions perform duties in addition to the collections function.

Third-Party Collection Costs

Any time a fee or fine must be referred to a third party for collection, ORS 1.202(2) requires courts to assess a fee to the debtor to pay for the costs of collection. This fee is called the Collection Referral Assessment Fee (CRAS). OJD sets and periodically updates the CRAS rate to cover expected collection costs. The current CRAS rate is 28 percent of the outstanding balance referred to third-party collectors.

The 2023–25 General Fund appropriation for Third-Party Collections is \$17.4 million. Collection expenditures (costs) for the 2023–25 biennium are projected to be \$14.6 million, and the 2025–27 biennium costs are expected to remain consistent with the projected 2023–25 amount. Projected collection expenditures (costs) are based on current referral rates of court debt, current third-party collection rates, and increased DOR collection fees. Collection expenditures (costs) only includes the fees paid to the third-party collectors for their collection services—they do not include circuit judge or staff administrative costs.

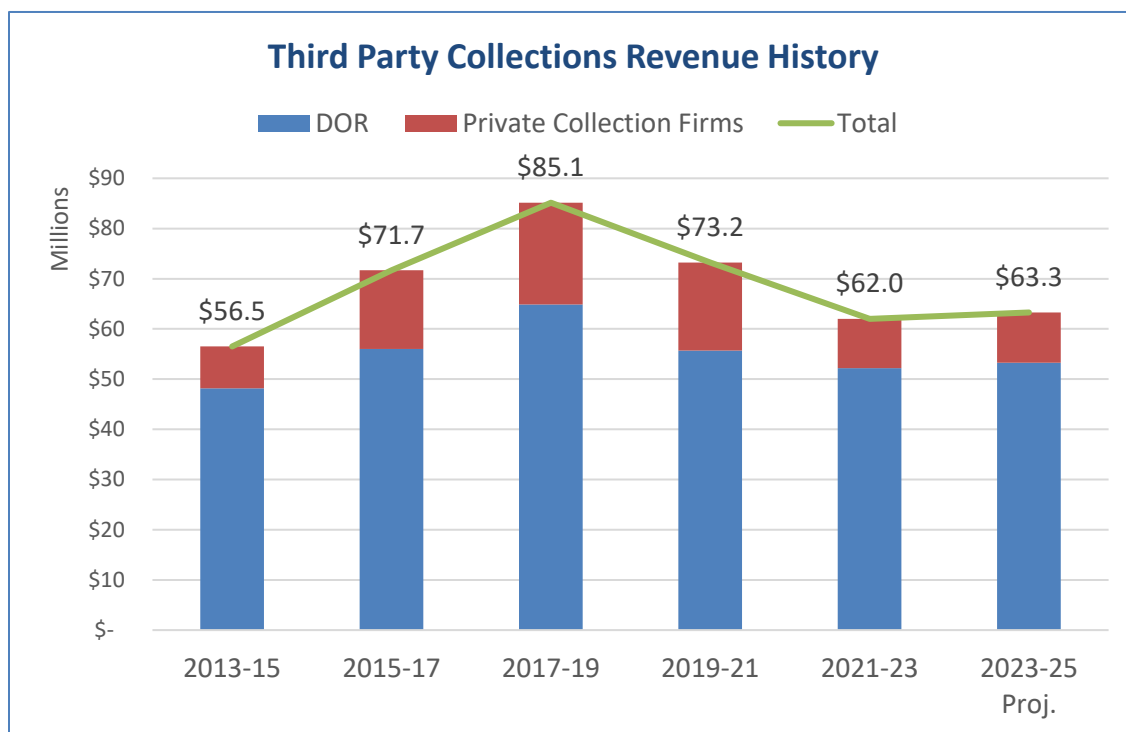


Third-Party Collections Revenue

Third-party collections revenue includes restitution owed to victims, fines, assessments, and deferred civil filing fees. This revenue is distributed as directed by statute to victims of crime, the state General Fund and Criminal Fine Account, and to counties, cities, and local agencies. OJD typically first refers debt to DOR because it has lower collection

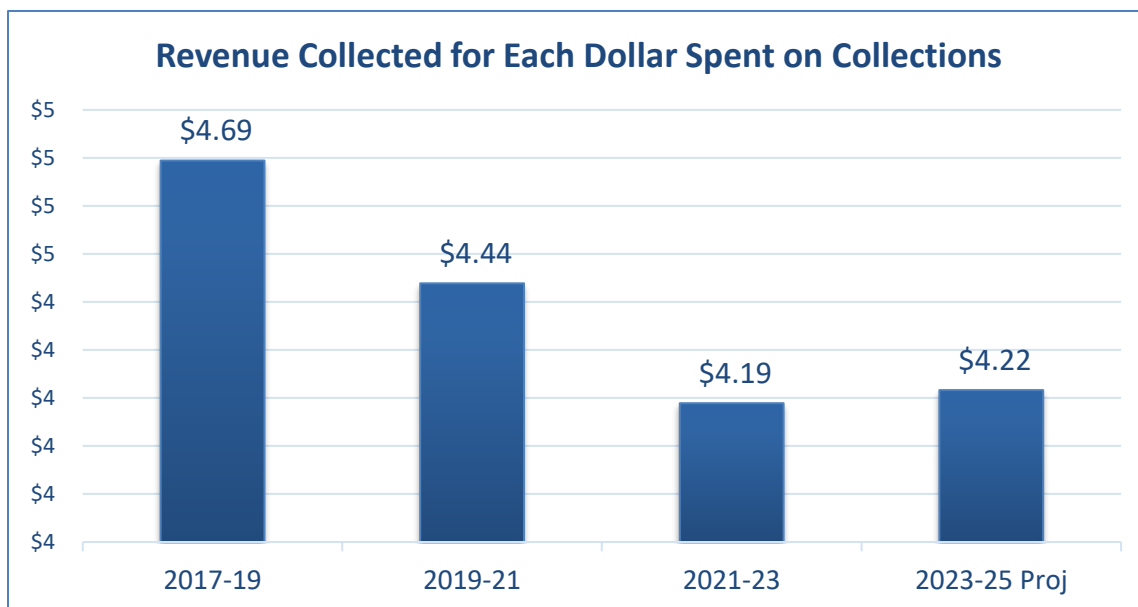
costs than the private collection firm. DOR therefore has newer accounts, a larger percentage of OJD's delinquent accounts, and collects more money than the private firm.

In 2023–25, revenue collected by third parties is expected to be \$63.3 million and is projected to increase by 3 percent in 2025–27.



Revenue Collected for Each Dollar Spent on Collections

In 2023–25, the state is expected to recover \$4.22 for each \$1.00 spent on third-party collection activities. This represents total third-party revenue of \$63.3 million divided by total third-party costs of \$14.6 million. While increases in DOR collection costs, increased use of credit cards (and their usage fees), and other agency fees have reduced the cost-benefit ratio, the return to the state continues to significantly outweigh the costs to collect.



2. **Representative Evans asked to receive citations to the legal authority that requires OJD to ask for Social Security numbers and disclose to debtors that the number will be used for collections.**

[ORS 293.226](#) authorizes the state to request Social Security numbers and requires a notice that the number may be used in collecting debts.

3. **Representative Lewis asked whether any analysis had been conducted to review the costs of having the Multnomah County Circuit Court serve as the municipal court for the City of Portland, as provided in ORS 3.136, and the revenue to the state generated by that service.**

OJD has not conducted a formal analysis on this question, and we are not aware of any other formal analysis by others. A quick review of our budget, case filings, and revenue information shows the following:

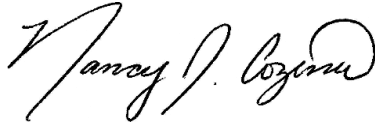
- Generally, revenue the state receives from having the Multnomah County Circuit Court serve as the municipal court for the City of Portland exceeds the cost of providing that service.
- The court estimated direct staff costs of \$4.7 million in the 2023–25 biennium to process and hear the parking and traffic citations from the City of Portland. It also estimated \$900,000 for IT developers, training, and services and supplies related to these cases, for a total estimated biennial expense of \$5.4 million.

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- Even though revenue generated for the state from these cases has not fully recovered from pre-pandemic levels, state revenue in FY 2024 from parking cases is estimated at \$4.8 million, and state revenue in FY 2024 from traffic cases is estimated at \$7.1 million, for total estimated state revenue of \$11.9 million. State revenue is distributed according to statute, so some revenue goes to the General Fund and other to the Criminal Fine Account.

Please let us know if you have additional questions and thank you again for the opportunity to present this information to the subcommittee.

Sincerely,

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

Nancy J. Cozine
State Court Administrator

NC:jm/25eNC007jm

cc: Aaron Knott
Phillip Lemman
Kimberly McCullough
Amy Miller
David Moon
Channa Newell
Jessica Roeser