

## 2025-27 Budget Review

### Department of Justice

	2021-23 Actual	2023-25 Legislatively Approved *	2025-27 Current Service Level	2025-27 Governor's Budget
General Fund	175,815,614	209,638,533	174,584,102	194,599,682
Other Funds	381,554,282	530,805,521	506,617,970	533,364,744
Federal Funds	194,487,736	222,471,269	225,240,413	211,487,172
<b>Total Funds</b>	<b>751,857,632</b>	<b>962,915,323</b>	<b>906,442,485</b>	<b>939,451,598</b>
Positions	1,498	1,557	1,520	1,586
FTE	1,463.55	1,530.68	1,511.45	1,573.00

\* Includes legislative and administrative actions through December 2024.

### PROGRAM DESCRIPTION

The Department of Justice (DOJ) is responsible for general legal counsel and supervision of all civil actions and legal proceedings in which the state is a party or has an interest. DOJ is also responsible for a number of programs, including child support, district attorney assistance, crime victims' compensation, charitable activity enforcement, organized crime-related law enforcement, criminal investigations, criminal intelligence, elder abuse, criminal voter fraud, and consumer protection and education services.

DOJ is overseen by the Attorney General, who is a statewide elected official whose authority is established in statute rather than the constitution. The Attorney General is the chief legal officer of the state, with a term of office of four years. DOJ operates under statutes governing processes that apply to executive branch agencies, such as budgeting, human resources, procurement, and information technology.

The DOJ budget is organized into the following divisions or program areas: Office of the Attorney General/Administration, Appellate, Civil Enforcement, Criminal Justice, Crime Victims and Survivor Services, General Counsel, Trial, Defense of Criminal Conviction, Child Support, and Debt Service and Related Costs.

DOJ is funded with a combination of General, Other Funds, and Federal Funds. General Fund is used primarily for the Child Support Program, Defense of Criminal Convictions, crime victim programs, legal work for which no state agency can be billed directly (e.g., ballot measure related), law enforcement activities, and debt service. Indirect General Fund (i.e., Other Funds) is received in the form of an allocation from the Criminal Fines Account for crime victim programs and the payment of legal service costs by General Funded agencies. Other Funds include charges to agencies for legal services, an allocation of Tobacco Master Settlement proceeds, legal settlements, license and other fees, charges, and fines. Federal Funds include the federal share of the Child Support program, the Medicaid Fraud

program, Internet Crimes Against Children, and grants to support victims of crime, among others. Federal Funds as Other Funds is for homeland security subgrants and the payment of legal service costs.

## BUDGET ENVIRONMENT

**Attorney General Rate/Hourly Legal Service Billing Rate:** DOJ uses an hourly rate billing model, which is foundational to the operation, functioning, and funding of DOJ's provisioning of legal services. Hourly billings are critical for cost recovery in legal settlements in either successful or unsuccessful litigation. The underlying hourly rate pays generally for the attorney's time and covers indirect costs of providing administrative services at both the program and agency wide levels. Employee compensation is the major factor which drives the changes in the rate, albeit other key factors can play a significant role (e.g., projected beginning balances, inflation rates on services and supplies, and policy package requests). Of note is that DOJ's service delivery model routinely employs the use of outside counsel, which is typically paid directly by client agencies rather than DOJ.

**Caseload Information:** DOJ is currently not utilizing a caseload to develop the agency's budget other than for the Defense of Criminal Convictions. Caseload reporting to external stakeholders of DOJ's actual caseloads and qualitative data on the legal services provided to agencies and entities is limited.

**Defense of Criminal Convictions (DCC):** DCC is the budgetary unit used to track the cost of defending the state in cases in which sentenced offenders challenge their convictions or sentence. The DCC is fully resourced at the CSL with a budget of \$50.7 million General Fund. DCC caseload will need to be re-forecasted based upon updated caseload figures as well as the legislatively adopted Attorney General hourly legal rate.

**Major Legal Settlements:** DOJ has reached a number of legal settlements, including some multi-state settlements, resulting in some moneys being made available to state and local governments.

**Federal Grant Process:** Opportunities exist with the Crime Victim and Survivor Services Division's federal grant processes and procedures to improve on the accuracy of reporting expenditure limitation requests to the Legislature and the Emergency Board due to the difficulty in differentiating state from federal fiscal year grants and expenditures.

**Information Technology:** DOJ has two ongoing information technology initiatives: (a) the Legal Tools Replacement Project 3.0 is DOJ's third attempt to begin the process to replace the agency's legacy case, document, time capture, billing, and legal matter applications; and (b) the Child Support Enforcement Automated System (or "Origin") that includes: (1) continuation of the refactor (replacement) of some of the existing software code that was transferred from other states, and which later drove an Internal Revenue Service security finding; (2) the need to re-host or move CSEAS from a private vendor to either the State Data Center or a cloud-based solution; and (3) reconciling how to support the ongoing operations and maintenance support of CSEAS.

**Nonunanimous Jury Convictions (SB 321, 2023):** The Legislature created a process by which a person convicted or found guilty, except for insanity, by a nonunanimous jury verdict may file a petition for post-conviction relief until two years after the Oregon Supreme Court's ruling in *Watkins v. Ackley* which or until December 30, 2024. After the expiration of the deadline, and as eligible cases are adjudicated, a re-evaluation of the staffing resources the Legislature provided DOJ will become necessary.

**Oregon Consumer Privacy Law (SB 619, 2023):** The Legislature created rights and regulations related to the collection of personal data by any person conducting business in Oregon or providing products or services to residents of Oregon. The measure expands the allowable use of the Protection and Education (P&E) Revolving Account to include the costs borne by DOJ to investigate and enforce violations under the measure, including depositing the proceeds of any recovery arising from the measure into the P&E Revolving Account.

**Children's Advocacy Centers (SB 1579, 2024):** The level of state support for Children's Advocacy Centers may continue to be an issue, especially given recent legislative funding initiatives.

## CURRENT SERVICE LEVEL

The 2025-27 current service level (CSL) budget totals \$906.4 million total funds, which includes \$174.6 million General Fund, \$506.6 million Other Funds, \$225.2 million Federal Funds and 1,520 positions (1511.45 FTE). The CSL is \$56.5 million, or 5.9%, less than the 2023-25 legislatively approved budget of \$962.9 million total funds. The modified-CSL totals \$15 million less than CSL budget due to a projected Federal Funds revenue shortfall in the Crime Victim and Survivor Services Division and federal Victims of Crime Act grant funding (see Policy Packages #070, #082, and #335).

The reduction in all funds CSL was largely due to personal services positions being phased in and out, non-budget system personal services adjustments, and inflationary factors for services and supplies expenditures.

In addition, a number of programs were phased in for a full 24 months and others were phased out as funding ends:

- **Phase-In (\$1.6 million total funds):** the CSL includes the full biennial phase-in of permanent programs and activities approved for less than 24-months in the prior biennium. Major phase-ins include: Internet Crimes Against Children, organized retail theft, animal cruelty prosecutor, support for district attorneys, Racketeering Influence and Corruption Act, consumer privacy, wrongful convictions, special litigation, civil litigation, legal support for the Oregon Health Authority under the recriminalization of drug offenses, and agency administrative staffing.
- **Phase-Outs (<\$114.4 million total funds>):** the CSL includes the phase-out of one-time costs approved in the prior biennium. Major phase-outs include: Legal Tools Replacement Project; information technology life cycle replacement costs; Traffic Safety Resource Prosecutor; Urban Area Security and Homeland Security Program grants; Child Support Enforcement Automated System implementation shortfall; Human Trafficking Intervention Grant; Bias Crimes Hotline Advocate; Community Based Violence Prevention Grants; Community and Tribal Governments-Housing Assistance; Emergency Shelter and Safety Planning; Children's Advocacy Centers; American Rescue Plan Act Housing Grant Program; Oregon Domestic and Sexual Violence Services Fund Grant; Survivor Housing Grant; Oregon Crime Victims Law Center; and Attorney General Sexual Assault Task Force.

Also important to consider is the hourly legal services billing rate and potential legislative concepts:

- **Hourly Legal Service Billing Rate:** The 2023-25 proposed hourly rate that was used to develop current service level costs across all agencies is \$348 and is estimated to generate \$399.5 million. The hourly rate is \$73, or 27%, higher per hour higher than the 2023-25 legislatively approved rate of \$275. The 2025-27 hourly billing rate will need to be re-calculated based upon the legislative budget decisions.
- **Legislative Concepts** - DOJ will be proposing a number of legislative concepts and has communicated that six may have a budgetary impact; however, DOJ has no associated policy packages for these LCs.

## GOVERNOR'S BUDGET SUMMARY

The 2025-27 Governor's budget (GRB) totals \$939.5 million total funds, which includes \$194.6 million General Fund, \$533.4 million Other Funds, \$211.5 million Federal Funds, and 1,586 positions (1573.00 FTE). The budget is \$33 million, or 3.6%, more than the 2025-27 current service budget of \$906.4 million and includes 66 additional positions (61.55 FTE).

The Governor's budget also includes the following policy package requests categorized by division within DOJ:

- Pkg. 082 Emergency Board (\$1.1 million General Fund): includes the roll-up costs from a September 2024 Emergency Board action to backfill reduced federal Victims of Crime Act (VOCA) funding.
- Pkg. 070 Revenue Reduction (<\$15 million> Other Funds): reduction in Other Funds revenue for VOCA.
- Pkg. 151 Legal Tools Program Resources (\$13.5 million Other Funds and 18 positions (18.00 FTE)): continues funding for the IT modernization initiative (JusticeNexus) focused on delivering a case management solution, billing workflows, and a suite of reporting and data analytic tools.
- Pkg. 221 Antitrust Litigation Resources (\$1.1 million Other Funds and two positions (1.76 FTE)): adds two attorneys assigned to antitrust, false claims and data privacy issues to properly staff existing cases and reduce the use of outside law firms.
- Pkg. 278 Criminal Justice Grants (\$1.8 million Other Funds and four positions (4.00 FTE)): renews four limited duration positions for the biennium to support the Urban Area Security Initiative (UASI), State Homeland Security Program (SHSP), and Traffic Safety Resource Prosecutor (TSRP) grant programs.
- Pkg. 331 CVSSD Community Violence Grant Continuation (\$10 million General Fund, \$1 million Other Funds, and three positions (3.00 FTE)): continues grant funding and associated positions created by HB 5202 (2022) to address gun violence in Oregon. SB 5506 (2023) funded \$10 million General Fund for 2024-26, ending funding in the middle of the 2025-27 biennium, so this continues funding for 2026-2028.
- Pkg. 334 CVSSD Staffing Resources (\$802,010 General Fund, \$327,165 Other Funds, \$665,910 Federal Funds, and five positions (5.00 FTE)): continues and expands grant funding for the Improving Outcomes for Child and Youth Victims of Human Trafficking program with the U.S. Office for Victims of Crime (OVC).

- Pkg. 335 CVSSD VOCA Reduction Backfill (\$7.4 million General Fund): maintains current service levels of the Victims of Crime Act (VOCA) assistance grant in combination with the September 2024 Emergency Board actions reflected in package 082.
- Pkg. 410 In-House Litigation Staffing (Trial Division) (\$10.8 million Other Funds and 33 positions (29.04 FTE)): adds positions to the Trial Division in response to increased volume and complexity of cases handled by the Corrections Litigation Unit, Special Litigation Unit, and Civil Litigation Section in an effort to reduce the use of contracted Special Assistant Attorneys General (SAAGs).
- Pkg. 483 Origin Software Licensing (\$337,086 General Fund and \$654,344 Federal Funds): provides General Fund match and Federal Funds limitation for software licensing providing ongoing support to maintain the Origin child support system.
- Pkg. 484 Origin Framework Refactoring (\$451,407 General Fund and \$876,261 Federal Funds): provides funding to finish replacement of the end-of-life software development tool that was primarily funded in 2023-25 but has a component that will carry over into 2025-27.

In addition to \$7.9 million total funds (\$4.3 million General Fund, \$2.7 million Other Funds, and just under \$1 million Federal Funds) to reflect statewide service charges, the budget also includes the following:

- \$2 million General Fund on a one-time basis to bolster bias and hate crime response.
- \$2 million General Fund on a one-time basis for regulatory defense.
- \$900,000 Other Funds to correct five management position values created in the budgeting system in the agency's base budget.
- \$451,718 General Fund and one position (0.75 FTE) for a special prosecutor to address missing and murdered Indigenous persons and the associated services and supplies costs to support the position.
- Additional vacancy savings that reduces the agency personal services budget by \$93,310 General Fund.
- A reduction of \$51,675 General Fund to reflect miscellaneous proposed savings.

## OTHER SIGNIFICANT ISSUES

In September 2024, the Emergency Board allocated \$3.2 million General Fund, on a one-time basis, to backfill a reduction in the federal fiscal year 2024 Victims of Crime Act Assistance federal grant for the remainder of the 2023-25 biennium. An Emergency Board package will provide for \$1.1 million General Fund to fund the final three months of the projected Federal Fiscal Year 2024 shortfall at the beginning of the 2025-27 biennium (see Package 082 Emergency Board).

The 2025 Legislature is expecting to receive the following reports: (a) The Department of Justice -Trial Division is instructed to report to the 2025 Legislature on the outcome, by client agency, case-type, and estimated savings, due to reduced outsourcing of legal costs to state client agencies by private law firms through the in-sourcing of Civil Litigation Section cases by the Trial Division; (b) the Department of Justice is instructed to report to the 2025 Legislature on the Department's trial and appellate caseloads and costs, including a caseload projection for the 2025-27 biennium, related to nonunanimous jury convictions under the U.S. Supreme Court decision in *Ramos v. Louisiana* (2020) and the Oregon Supreme Court decision in *Watkins v. Ackley* (2022); (c) DOJ is to report to the 2025 Legislature on the

2024 Legislature's investment in the Internet Crimes Against Children Program. The report is to include, but not be limited to, performance reporting on historic comparisons of data on the number of cybertips received by category of activities, number of resulting investigations by the Department, number of referrals to affiliates and number of referrals to affiliates that are investigated, and number of related arrests; and (d) by statute, DOJ is to report to the Legislature on the projected balance of the Protection and Education Account.

## KEY PERFORMANCE MEASURES

A copy of the DOJ's Annual Performance Progress Report can be found on the LFO website:  
[\[https://www.oregonlegislature.gov/lfo/APPR/APPR\\_DOJ\\_2024-10-29.pdf\]](https://www.oregonlegislature.gov/lfo/APPR/APPR_DOJ_2024-10-29.pdf).

### **Contact Information**

Steve Robbins, Principal Legislative Analyst

### **Legislative Fiscal Office**

900 Court Street NE, Room H-178, Salem, Oregon 97301

Oregon State Capitol | (503) 986-1828 | [www.oregonlegislature.gov/lfo](http://www.oregonlegislature.gov/lfo)