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Budget Information Report

Criminal Fines and Assessment Account

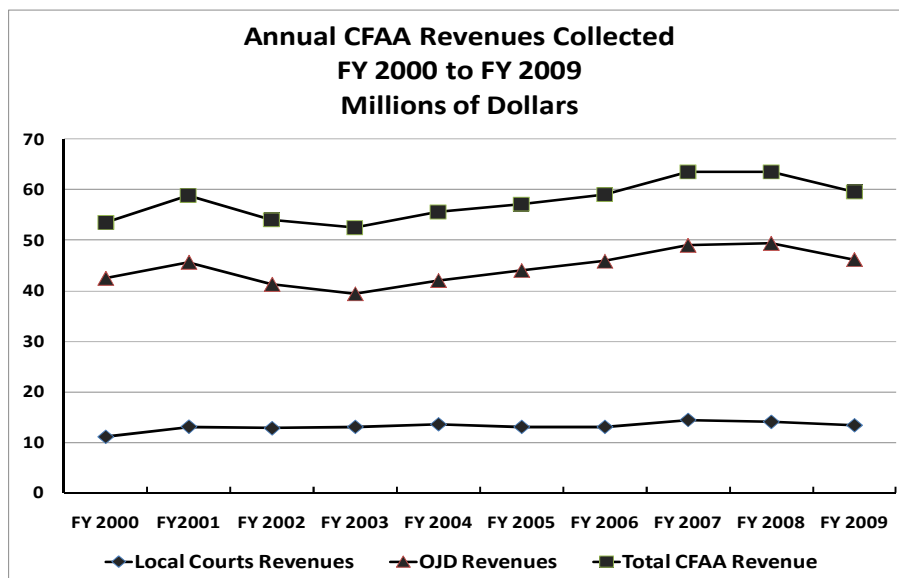
The importance of the Criminal Fines and Assessment Account (CFAA) revenues has grown as General Fund resources have become scarce and as the discussions of various legal system fees has taken place. This publication describes how CFAA is funded and what programs receive CFAA revenues.

Source of CFAA Revenues

The CFAA revenues are collected through the courts – the Oregon Judicial Department (OJD) for the circuit courts and the local Municipal (city) and Justice (county) Courts. Generally, revenues are collected as part of a single integrated judgment which includes most monetary obligations imposed on a convicted person. In some cases, revenues are collected outside of this single judgment. This single judgment includes four categories of payments:

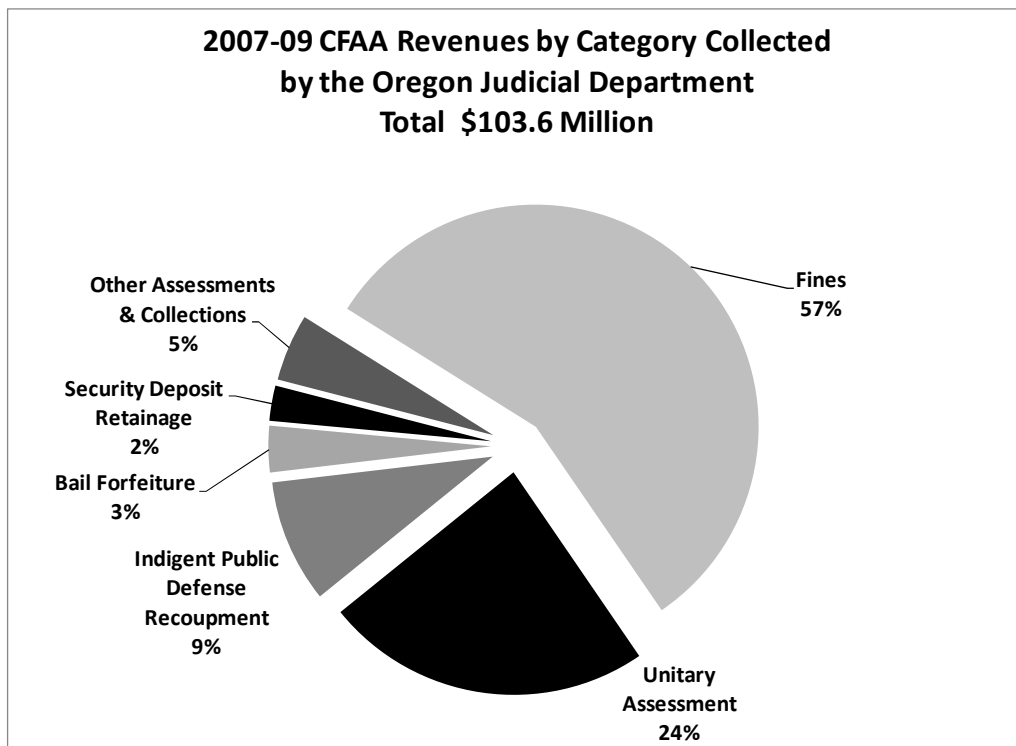
- Category 1 – Compensatory fines (ORS 137.101) are payments to victims injured as a result of the crime.
- Category 2 – Restitution payments to victims (ORS 137.103 and 419C.450) are for pecuniary or specific damages, including stolen or damaged property and medical costs resulting from the crime.
- Category 3 – CFAA-related revenue, including undesignated fines, bail forfeitures, domestic violence assessments, and unitary assessment proceeds (ORS 137.290), as well as selected non-CFAA revenues.
- Category 4 – Fines and assessments due to local governments, state intoxicated driver fund fees, specific agencies, and certain rewards.

In many cases, an individual cannot pay all of the single judgment at one time, so they enter into a payment schedule with the court with the expectation the full amount will be paid over time. ORS 137.295 sets out the priority order of how payments of the single judgment are divided among the categories listed above. As payments are received, they first are used to fulfill the compensatory fines under Category 1. After obligations under this category are satisfied, payments are evenly split between categories 2 and 3 (including CFAA-related revenues). Finally, obligations under category 4 are paid only after all other categories have been satisfied.



The CFAA is funded by fines, the unitary assessment, court costs, forfeited security payments, and other monetary obligations imposed by the court. The fines are primarily related to motor vehicle and other violations. Generally, parking-related violation fines are not included in CFAA revenues. Fines related to felonies and misdemeanors make up a much smaller portion of the CFAA revenues. The amount of fines directed to CFAA revenues depends on where the ticket or infraction is “written” and who “writes” the ticket. If the ticket is “written” into the circuit or state court by a state trooper, 100% of the fine revenue is dedicated to the CFAA revenue stream; if it is “written” into a local court, 50% is dedicated to CFAA and the remaining 50% is provided to the county or city. For tickets issued by a local officer (e.g., sheriff’s deputy or city police officer) into the state or circuit court, 50% of the fine revenue is dedicated to CFAA and the remainder to the local jurisdiction. If a local officer writes the ticket to a local court, all of the fine revenue is directed to the appropriate local jurisdiction. For the 15-month period ending March 31, 2010, Department of State Police (OSP) troopers wrote roughly 75% of tickets into a circuit court and the remaining 25% into a local court.

The unitary assessment (authorized under ORS 137.290) is an amount over and above any other monetary obligation imposed by the court. The assessment, based on the type of crime, ranges from \$37 for violations to \$107 for felonies. Some specific felonies, including crimes against persons and the distribution or manufacturing of methamphetamine, require additional unitary assessment payments of up to \$1,000. Under certain circumstances, the court may waive payment of all or part of the unitary assessment upon certain findings, but only when the court does not impose a fine on the defendant. There is also an additional assessment authorized by HB 2287 (2009) which is not part of the CFAA revenue stream. The figure below illustrates the sources of the net CFAA revenues for 2007-09 collected by OJD, but does not include CFAA revenues collected by local courts. Given local court jurisdiction, their revenues likely have larger shares for fines and the unitary assessment. The anticipated CFAA revenues for 2009-11 generally follow the same patterns.



Distribution of CFAA Funds

The CFAA account is established in the State Treasury in ORS 137.300. The Legislature allocates the total funds available between the General Fund and eligible state programs. In the past, this revenue stream funded a variety of programs, including law enforcement training, the Oregon Health and Science University Poison Center, debt service for the Department of Public Safety Standards and Training, victim services, Children's Trust Fund, alcohol and drug abuse programs, and the Marine Board. The 2005 Legislative Assembly narrowed the list of eligible programs that CFAA revenues can fund to:

- 1) Public safety standards, training and facilities.
- 2) Criminal injuries and assistance to victims.
- 3) Forensic services of OSP.
- 4) Maintenance and operation of OSP's Law Enforcement Data System (LEDS).

ORS 137.300 identifies the priority of funding, but does not specify that all priorities must be funded. The same 2005 legislation changed the distribution or allocation from a percentage of CFAA revenues to specific dollar amounts. Prior to 2005, a specific percentage of total CFAA revenues was established for each of the various programs.

Currently, the Legislature allocates CFAA revenues through a separate bill similar to the allocation of Lottery Funds. The corresponding Other Funds expenditure limitations are generally in the budget bills for each agency. The remaining CFAA revenues not allocated to specific eligible programs are directed to the General Fund. If overall CFAA revenues do not meet the forecasted amounts, the risk is to the General Fund and the amounts allocated to the eligible programs are not reduced unless the shortfall is very large. The opposite is also true - if the amount generated is greater than the forecasted amount, the General Fund gains the entire amount.

Since 2005, the practice has not been to allocate resources to all of these prioritized uses but only to those programs included in the first two categories. General Fund resources are used for programs in the other two categories. One reason for this is that the costs for the programs in the third and fourth priority groups are primarily state personnel costs, which generally have grown faster than the CFAA revenue stream. The concern was that continued dependence on CFAA to fund these programs would outstrip the ability of the CFAA revenue stream to provide sufficient funding for all four groups after a few biennia. Overall, General Fund revenues have traditionally grown at a faster rate than the CFAA revenue stream, but over the past two biennia this has not been the case as General Fund revenues have stagnated.

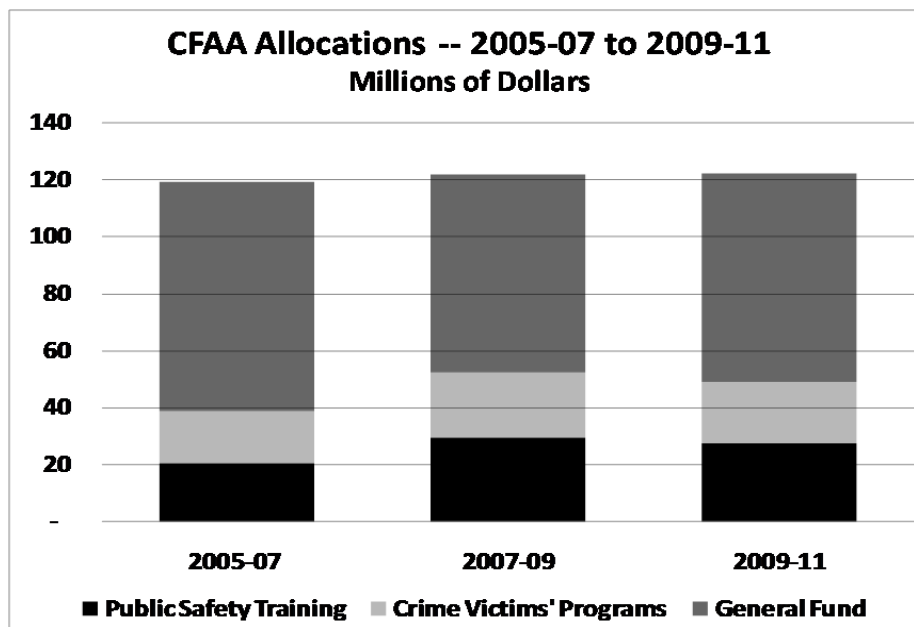
In practice, the budget process has treated programs funded with CFAA revenues much the same as General Fund programs. This is primarily because the CFAA revenues which are not used to fund an eligible CFAA program are directed to the General Fund. Both General Fund and CFAA-funded programs must go through similar budget processes. The Legislative Fiscal Office and, to a large extent, the Budget and Management Division of the Department of Administrative Services, treat CFAA and General Fund programs the same in outlining reduction options and other reduction exercises.

For the most recent three biennia, the following specific allocations were made. The 2009-11 numbers reflect the changes in allocations made during the 2010 February special session.

CFAA Allocations -- 2005-07 to 2009-11

	<u>Agency</u>	<u>2005-07</u>	<u>2007-09</u>	<u>2009-11</u>
Total Available CFAA Revenues		119,083,203	121,874,584	122,262,184
Priority 1 Allocations				
DPSST Operations	DPSST	19,188,582	29,122,518	27,268,232
Public Safety Memorial Fund	DPSST	104,962	211,221	95,000
State Police Training	OSP	1,051,174	-	
Priority 2 Allocations				
Child Abuse Medical Assessments	DOJ	749,280	772,508	724,608
Child Abuse Multidisciplinary Intervention (CAMI)	DOJ	7,298,296	9,540,470	8,948,820
Criminal Injuries Compensation Account (CICA)	DOJ	6,496,035	8,697,412	8,153,823
Regional Assessment Centers	DOJ	886,403	913,881	857,215
Domestic Violence Fund	DHS	2,157,784	2,224,675	2,224,675
Emergency Medical Services & Trauma Systems	DHS	315,000	324,765	324,765
Sexual Assault Victims Fund	DHS	532,342	533,332	533,332
Priority 3 Allocations				
Forensics Services	OSP	-	-	-
Medical Examiner	OSP	-	-	-
Priority 4 Allocations				
Law Enforcement Data Systems (LEDS)	OSP	-	-	-
Total Allocations to Public Safety Programs		38,779,858.0	52,340,782.0	49,130,470.0
<i>% of Total CFAA Revenue</i>		<i>32.6</i>	<i>42.9</i>	<i>40.2</i>
Total Distributed to the General Fund		80,303,345.0	69,533,802.0	73,131,714.0
<i>% of Total CFAA Revenue</i>		<i>67.4</i>	<i>57.1</i>	<i>59.8</i>

The figure below demonstrates that the amount dedicated to the General Fund has represented the major share of CFAA revenues, ranging from just over two-thirds in 2005-07 to just less than 60% for 2009-11. The share allocated to public safety training, primarily the Department of Public Safety Standards and Training (DPSST) has grown. This is due to two factors. First, there has been an expansion of DPSST's budget as the new training facility has been brought into full operation. And, second, a large share of DPSST's allocation is used to pay agency employee compensation, which has grown at a greater rate than inflation. Allocations to Crime Victims' programs are generally used for payments to local organizations for which the state budget has generally only allowed growth at a rate tied to inflation.



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