



Memorandum

To: John Borden, Legislative Fiscal Office
Re: SB 817 (Manning, Sollman) Fiscal Impact
From: Amy Miller (Youth, Rights & Justice); Carly Finkle (UC Berkeley Policy Advocacy Clinic);
Carl Filler (Justice Action Network)
Date: March 3, 2021

Summary

Oregon law authorizes courts, state agencies, and local entities to charge a wide range of fees and fines to youth in the juvenile delinquency system and their parents or guardians.¹ Nationally, researchers have found that juvenile fees and fines undermine the financial and emotional wellbeing of youth and their families, disproportionately impact low-income youth and youth of color, and increase system involvement and recidivism.² Seven states have already acted to repeal fees and/or fines, and at least ten states are considering repeal this year.

In addition to the harm to youth, families, and communities, juvenile fees and fines generate little or no net revenue for governments in Oregon, because:

- fee and fine collection is dropping,
- collection costs are rising, and
- the vast majority of outstanding debt is more than five years old and largely uncollectible.

The Committee on Judiciary and Ballot Measure 110 Implementation is sponsoring Senate Bill 817 to end the practice of juvenile departments, circuit courts, and the Oregon Youth Authority imposing administrative fees on youth and their families, a concept originally introduced by Senator James I. Manning, Jr., and Representative Janeen Sollman. The legislation will also eliminate juvenile fines and require the discharge of previously assessed juvenile fees and fines.

This memo summarizes key research about the fiscal implications of repealing fees and fines in the Oregon juvenile delinquency system, including revenue, costs, and effects of retroactivity.

Juvenile Administrative Fees

Juvenile Departments³

In an October 2020 survey of the Juvenile Department Directors' Association, 25 out of 31 responding counties (81%) reported charging one or more juvenile fees to youth and families.⁴

Revenue:

- Twelve counties provided data on juvenile fee revenue collected in FY 2019. Marion County collected \$35,952 in juvenile fees, accounting for 64% of the reported fees

collected statewide that year (\$55,944). Although Marion County reported the most juvenile fee revenue, it represented 0.008% (< 1/12,000th) of the county budget.⁵

- From FY 2017 to FY 2019, the 12 counties that provided data reported a 40% decrease in juvenile fee revenue, from \$93,929 to \$55,944.

Costs:

- From FY 2017 to FY 2019, the 4 counties that provided expense data reported a 7% increase in collection costs.

Retroactivity:

- We do not have data on the dollar amount of outstanding juvenile fees.
- Given survey responses about annual fee collection, the outstanding juvenile fee debt is likely small, and older debt is largely uncollectible.⁶

Circuit Courts⁷

Revenue:

- Circuit Courts collected \$60,850 in juvenile fees charged in FY 2019, representing 23% of the total dollar amount of juvenile fees they assessed that year (\$259,482).
- Circuit Courts reported a 54% decrease in juvenile fees collected from FY 2016 to FY 2019, dropping from \$132,473 to \$60,850.
- In FY 2019, Circuit Courts collected juvenile fees representing less than 0.035% of the total Judicial Department budget, before accounting for the cost of collections.⁸

Costs:

- The Oregon Judicial Department (OJD) does not disaggregate juvenile administrative fee collection costs from overall collection costs.
- Overall, OJD third party collection costs have increased almost 40% from the 2015-17 biennium to 2019-21 biennium, rising from \$13,735,137 (actuals) to \$19,200,000 (projected).⁹

Retroactivity:

- 89% of uncollected Circuit Court juvenile fees were assessed more than five years ago, and the outstanding debt is largely uncollectible.¹⁰
- Most of the uncollected juvenile fee debt is from collection fees for unpaid fees.¹¹

Oregon Youth Authority¹²

Revenue:

- The Oregon Department of Justice's Division of Child Support (DCS) charges parents and guardians for their children's custody in the Oregon Youth Authority (OYA).

- DCS reported a 18% decrease in OYA revenue from FY 2016 to FY 2019, dropping from \$1,053,379 to \$864,370.¹³

Costs:

- OYA receives the revenue from these charges, while DCS bears the cost and administrative burden of calculating, assessing, and collecting them.
- DCS reported a 21% increase in collection costs from FY 2016 to FY 2019, growing from \$717,476 to \$866,268.
- In 2019, the most recent year for which we have complete data, DCS spent \$866,268 to collect \$864,370 for OYA, for a net revenue loss to the state.

Retroactivity:

- We have requested data on the dollar amount of outstanding juvenile fees.
- DCS reports that, “[t]he program has income information for approximately one-third of [the nearly 1,600] parents who owe support for children in OYA care. . . . Only 66 parents, 4% of the total, have reported income greater than \$2,000 per month.”¹⁴
- The 2021 federal poverty level for a family of 3 is \$21,960 and for a family of 4 is \$26,500, so the vast majority of families with outstanding DCS debt live in poverty.¹⁵

Juvenile Fines

Circuit Courts¹⁶

Revenue:

- Circuit Courts collected \$54,725 in juvenile fines ordered in FY 2019, representing less than 33% of the total dollar amount assessed (\$165,922).
- Circuit Courts reported a 60% decrease in juvenile fine collection from FY 2016 to FY 2019, dropping from \$143,843 to \$54,725.
- Collected juvenile fines represent less than 0.036% of the total Judicial Department budget, before accounting for the cost of collections.¹⁷

Costs:

- The Oregon Judicial Department (OJD) does not disaggregate juvenile fine collection costs from overall collection costs.
- Overall, OJD third party collection costs have increased almost 40% from the 2015-2017 biennium to 2019-2021 biennium, rising from \$13,735,137 (actuals) to \$19,200,000 (projected).¹⁸

Retroactivity:

- 86% of uncollected juvenile fines were assessed more than five years ago, and the outstanding debt is largely uncollectible.¹⁹
- Most of the uncollected juvenile debt is from collection fees for unpaid fines.²⁰

NOTES

¹ Juvenile administrative fees are charged for costs associated with adjudication, detention, and probation, and juvenile fines are charged as one of many accountability mechanisms available to judges. Fines and fees are distinct from restitution that youth are ordered to pay to crime victims.

² *Hearing on S.B. 422 Before the Committee on Judiciary of the Senate*, 81st Leg., 2021 Reg. Sess. (2021), <https://olis.oregonlegislature.gov/liz/2021R1/Downloads/PublicTestimonyDocument/886> (testimony of Amelia Watts, University of California, Berkeley, Policy Advocacy Clinic).

³ [Attachment 1: Juvenile Department Administrative Fees Summary](#) (data collected from Juvenile Department Directors).

⁴ Clackamas, Columbia, Douglas, Lane, Lincoln, and Multnomah Counties reported charging no juvenile fees.

⁵ *Compare* Attachment 1, *supra* note 3 (showing \$35,952 in fees was collected in Marion County in 2019), *with* MARION COUNTY, FISCAL YEAR 2018-19 BUDGET COMMITTEE APPROVED BUDGET i, https://www.co.marion.or.us/FIN/budget/Documents/FY_18-19_Budget/FY18-19_Marion_County_Budget_Committee_Approved_Budget_-_pdf_for_website.pdf (indicating Marion County's overall budget for FY2019 was \$445,424,664).

⁶ *See* OREGON JUDICIAL DEPARTMENT, COURT ORDERED FINANCIAL OBLIGATIONS: IMPOSITION, COLLECTION, AND DISTRIBUTION 12 (2018), <https://berkeley.box.com/s/b5f21m57yr12gqbl9nxynfehdb4iegm4> (stating with regard to analogous fee debt that "[a]fter year 5, collection drops to less than 10%" and "debt...older than 5 years [is] virtually uncollectable").

⁷ [Attachment 2: Circuit Court Juvenile Administrative Fees Summary](#) (data collected from the Office of the State Court Administrator).

⁸ *Compare id.* (showing total fees collected by Circuit Courts from FY 2017 to FY 2019 at \$252,143), *with* LEGISLATIVE FISCAL OFFICE, 2019-2021 LEGISLATIVELY ADOPTED BUDGET: DETAILED ANALYSIS 218-19 (2019), https://www.oregonlegislature.gov/lfo/Documents/2019-21_Legislatively_Adopted_Budget_Detailed_Analysis.pdf (showing the Judicial Department's budget to be \$718,862,430 for the same period).

⁹ LEGISLATIVE FISCAL OFFICE, *supra* note 8 at 218-19.

¹⁰ *See* Attachment 2, *supra* note 7 (regarding the high percentage of uncollected fees greater than 5 years old) and OREGON JUDICIAL DEPARTMENT, *supra* note 6 at 12 (regarding debt greater than 5 years old being "virtually uncollectable").

¹¹ Email from Kimberly Dailey, Oregon Judicial Department, to Amy Miller, Youth, Rights, & Justice (Feb. 8, 2021).

¹² [Attachment 3: Oregon Youth Authority Child Support Fee Summary](#) (data received from the Department of Justice – Division of Child Support).

¹³ DCS did not report the amount assessed.

¹⁴ [Attachment 3A: Division of Child Support OYA Caseload Summary](#) (data received from the Department of Justice – Division of Child Support).

¹⁵ Annual Update of the Federal Poverty Guidelines (Notice), 86 Fed. Reg. 7733 (Feb. 1, 2021), <https://www.federalregister.gov/documents/2021/02/01/2021-01969/annual-update-of-the-hhs-poverty-guidelines>.

¹⁶ [Attachment 4: Juvenile Department Administrative Fines Summary](#) (data collected from the Office of the State Court Administrator).

¹⁷ *Compare id.* (showing total fines collected by Circuit Courts from FY 2017 to FY 2019 at \$261,324), *with* LEGISLATIVE FISCAL OFFICE, *supra* note 8 at 218-19 (showing the Judicial Department's budget to be \$718,862,430 for the same period).

¹⁸ LEGISLATIVE FISCAL OFFICE, *supra* note 8 at 218-19.

¹⁹ *See* Attachment 4, *supra* note 16 (regarding the high percentage of uncollected fines greater than 5 years old); OREGON JUDICIAL DEPARTMENT, *supra* note 6 at 12 (regarding debt greater than 5 years old being "virtually uncollectable").

²⁰ Email from Kimberly Dailey, *supra* note 11.