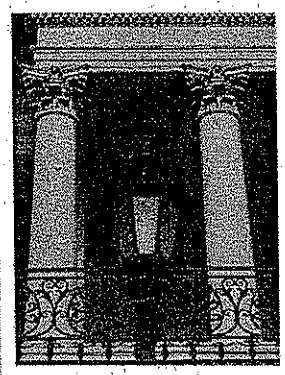
OREGON JUDICIAL DEPARTMENT

BFSD ANNUAL REPORT 2010

DECEMBER 2010

A MESSAGE FROM THE DIRECTOR



"In the middle of difficulty lies opportunity."
—Albert Einstein

We are in a very exciting and challenging period in OJD's history. Every task we are assigned is of the upmost importance, and we strive to provide great service to the courts and other partners. At times it may seem daunting, discouraging, and appear impossible. However, I cannot think of another place I want to be or other people I want to be with. I am grateful to be facing this challenge with the hard-working, innovative and committed staff in BFSD. I am confident that together we can succeed and we will do it following these principles:

Vision - BFSD performs the research and develops the programs that will move OJD forward for all business related OJD work.

Plan - Do - Check - Act: We use a methodical approach to work. This requires that we take time to plan out the steps, resources, and timelines. We pilot and measure and evaluate the results and possibilities. Finally, based on our research we determine a course of action and Do.

Discipline - We will be methodical, purposeful, and will surround ourselves with people who embrace the same.

Integrity - We will be honest with ourselves, our deadlines, and our customers.

Accountability - All assignments will follow the discipline of return and report. We hold ourselves and our teams accountable. Measurement allows us to identify success.

Professional and Personal Development - We take time to get needed training and to develop expertise. We respect our work time, and we protect our personal time. We sprint when necessary, but train for and run in the "marathon" of work.

Gratitude - We recognize and celebrate individual and team success.

Thank you again,

David T. Moon, CPA
Director

BFSD MISSION STATEMENT

The Business and Fiscal Services Division promotes accountability and efficient use of public funds and provides financial services to the courts, divisions, and employees of the Oregon Judicial Department as well as the public, vendors, the legislature and other governmental entities.

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Business Solutions: Improving Efficiency

Fiscal year 2010 was a year of economic turmoil for the entire state of Oregon. In response, the Chief Justice requested improvement of business processes and the creation of further efficiencies. BFSD rose to meet this challenge by evaluating operations in order to implement all possible efficiencies. This newsletter lists some of the actions implemented.

Accounts Payable

We offer enhanced services relating to R*STARS (Relational Statewide Accounting and Reporting System). Previously, staff at each court began the payment process by entering data into R*STARS. Invoices were then bundled and forwarded to the accounting unit in BFSD for further R*STARS processing. We now offer the option of bypassing the input step at the courts. The results have shown a decrease in overall processing time for invoices, a decrease in the time spent by Division personnel in processing invoices, and only a nominal increase in the BFSD workload. This new service saves time and effort previously required of court staff.

Budget Reports

Budget Services established standardized reports for executive management showing General Fund and Other Funds current status of expenditures versus budget, and projected ending balances. Other Funds reports also include cash flow estimates, improving our ability to manage fund activities. Budget Services is in the process of standardizing budget status reports for courts and divisions, and incorporated in this effort are automated tools that will make report generation and analysis far less labor intensive and improve accuracy in the process. These efforts are in process and are scheduled to be completed in 2011.

Debt Management

BFSD has begun an effort to centrally manage and standardize collection practices on delinquent court debt. This included:

- an increase to our collection referral assessment,
- three new contracts with specialized private collection firms (PCFs),
- statewide action tables that cycle delinquent debt through each collection agency until the judgment remedies expire,
- central referral to outside collections, and
- identification of inactive stale debt at the courts and expired judgment remedies.

These changes will eventually:

- eliminate our court stale debt that sits inactive at the courts,
- improve collection performance,
- enable the OJD to track costs and performance by PCF and manage our inventory accordingly, and
- create a more uniform system of collections that can take advantage of improved technology.

This process was phased in to allow BFSD to identify business issues and inefficiencies and to account for the need to tailor the project to account for the courts' unique programs and local practices. The last phase will be completed in February 2011.

Business Solutions: Improving Efficiency (Cont.)

Revenue Projections

We transitioned our revenue projections to the experts in this field, the Office of Economic Analysis (OEA). We simply send them our budget actual and case filing data and they create the forecast. This saves a tremendous amount of staff resources and allows the experts to come up with the methodology for the most accurate forecast.

Statewide Printing

BFSD undertook a cost benefit analysis of the current printing practice of reports, notices, and checks with the objective of identifying ways to streamline the process and to reduce costs. BFSD studied the option of contracting with Publishing and Distribution (P&D), a part of the Department of Administrative Services (DAS), to print and mail all FIAS-generated notices and checks and did a comparison to the current costs of printing and mailing. BFSD also incorporated into the study the option of having FIAS-generated reports converted to electronic files instead of printing automatically. We hope to move forward on this in the coming year.

Liquidated & Delinquent Debt Report

BFSD submits an annual Liquidated and Delinquent Debt Report to the Legislative Fiscal Office. This has entailed a complex process to compile the data, which in the past has required approximately 80 hours of staff time to complete. This year we analyzed the data and the methodology that we were using with the goal of creating a less complex and more transparent system, while keeping in mind the limited resources that we currently have available to us. We achieved this goal and have reduced the amount of time it takes to complete this report to approximately one eight-hour workday.

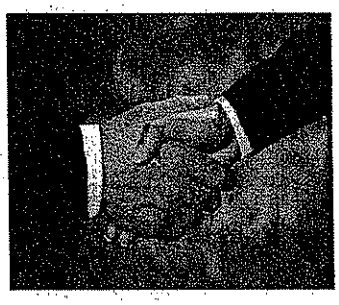
Surplus Materials—Reduction, Recycle, Conserve

This year BFSD reduced our warehouse usage from three to two floors. This was achieved by sending unusable systems furniture to the metal scrap. This resulted in 16.3 tons of recycling, equivalent in weight to more than 11 Toyota Prius cars. We also recycled obsolete books. This saved $4,158 by not having to send these books to the landfill. This also resulted in 99 tons of recycling, equivalent to four semi-truck loads. Since we were able to recycle everything that was no longer needed, we now only need two floors of warehouse space, resulting in a savings of $19,000 per year. We also turned off the heat to the warehouse which resulted in a savings of 30,000 kwh of energy use, avoiding more than seven tons of carbon usage.

Transferring Funds in Multnomah County

Multnomah County no longer has to mail in their multi-million dollar revenue checks. This is achieved through an electronic transfer, which increases efficiency and reduces risk.

Central Services: Partnering With the Courts



BFSD's Central Services Program is a strategic effort to partner with local courts to streamline accounting processes and prepare the Courts and OSCA for the new Financial Management System to be implemented through eCourt.

Below is a list of services offered by BFSD under this partnership:

> *"Coming together is a beginning. Keeping together is progress. Working together is success."*
> —Henry Ford

Central Accounting
This centralizes high level accounting functions such as month-end close and trust check distribution to achieve greater efficiency, establish better internal controls and alleviate some of the workload pressure on the local court. We are currently successfully providing central accounting services for four courts.

Recurring Payments
This year we were able to offer a new payment option to debtors who wish to set up a payment plan with monthly automatic credit card payments. OJD is the first government entity to offer this type of payment option. In addition to the new payment option, we also offer the courts the service of having BFSD set up, process, receipt and oversee recurring payments for their court.

Returned Checks Processing
BFSD provides participating courts with envelopes that have BFSD's return address. The local court mails out their trust checks using these envelopes. If the check is returned as undeliverable, BFSD receives it and fulfills the due diligence efforts required by statute. In the event that a new address is located for the payee, BFSD creates a new disbursement and this results in a new check that is printed the next time the court prints its trust checks. If no new address is located for the payee, BFSD makes the necessary entries in the system in order to send the unclaimed monies to the Division of State Lands as per statute. This new service saves time and effort required of local court staff and provides a standardized and timely service for payees across the state.

Central Payment Receipting
This service allows debtors from any court statewide to call the BFSD payment hotline and make their credit card payments by phone. By having BFSD process these credit card payments, local court staff can dedicate the time saved to other duties.

Annual Landboard
Every year in October, OJD must turn over unclaimed monies which meet certain criteria to the Division of State Lands. BFSD completed the annual Landboard process, including the issuance of a check to the Division of State Lands for four courts this year. This process is currently being evaluated with the goal of attaining greater efficiencies.

Open Check Log
BFSD runs a query of stale dated checks that have not been returned as undeliverable and are scheduled to be sent to Landboard. BFSD makes one last attempt to contact the payee prior to the yearly Landboard process. We are currently in the process of streamlining this by automating the current manual process. We plan to implement this new process in the coming year.

Technology: Embracing Innovation

Technology plays a vital role in transforming the business operations of the courts by increasing our capacity to do more with less and by expanding our ability to deliver important services to the public.

Below are some technology milestones achieved this year:

eCourt Procurement

After a seven month process, Tyler Technologies was chosen as the Single-Solution Provider for the Oregon eCourt Program. The intent to award was issued on 12/13/10 and OJD will begin contract negotiations with Tyler. A contract should be in place by February 2011. OJD will then choose pilot courts to begin the configuration and implementation of the new system.

Financial Management System (FMS) Requirements

Management and business operations staff met to discuss OJD requirements for a new financial management system. After several meetings, a final document of OJD requirements was produced. This process was vital in order to procure a system that will meet OJD's needs.

Interactive Voice Response (IVR) Procurement

We are in the process of contracting with an IVR vendor. This is a technology that automates interactions with telephone callers. It includes pre-recorded voice prompts and menus to present information and options to callers. It gathers responses through touch-tone telephone keypad entry. This will be piloted as an option for people owing parking fees in Multnomah. This new technology will produce a cost savings in staff and provide for increased efficiency in processing payments by phone.

Automated 896 Tax Offset Program

This Department of Revenue (DOR) program has been very effective in our collection of court ordered fines and fees. DOR collected just under $2 million for the OJD in 2010 through this tax offset program. This year we have worked with ETSD to create an interface with DOR to automate the posting of payments and daily updates to balances. This will make the program more manageable and less labor intensive. The automated program is scheduled to be ready to use in February 2011.

BFSD: Staff Connections

New Faces/New Places

February 2010:	BFSD welcomed David Moon as the new Director and Eva Doud who was hired as a Budget Analyst.
May 2010:	Gail Bouldrey accepted a half-time job rotation with Oregon eCourt. Gail provides support to the budget aspect of eCourt as their Financial Manager.
August 2010:	We welcomed Nancy Johnson from Marion County Courts joining BFSD's Revenue team on a job rotation, while Greg Ripp joined the Dept. of Administrative Services on a job rotation. We also welcomed Rachel Nolin who was hired as a Budget Analyst and Jessica Basinger who was hired as the new Revenue Manager. Hillary Noble who had been working as a temp since March with the Revenue team, was hired as a permanent employee.
October 2010:	The Revenue team welcomed Stephanie Guerena who was hired as a Court Accounting Specialist.
December 2010:	We welcomed Darrin Hotrum who was hired to fill our Chief Audit Executive position.

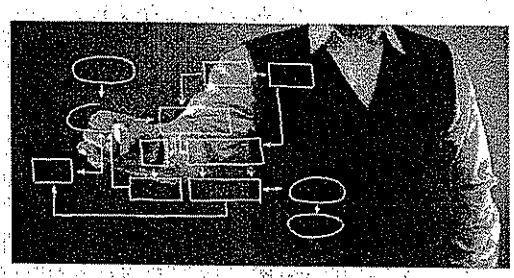
Leadership Oregon Graduate

Rudy Ordonez, Fiscal Analyst with the Revenue Team, graduated this year from the Leadership Oregon Program. This program's mission is to support and enhance the professional and personal development of State of Oregon managers through a year long program that includes an interactive and practical curriculum that expands an awareness of self, state government and local communities while promoting pride in public service.

Looking Ahead...

Looking ahead is essential to growing and thriving. Careful strategic planning facilitates goal achievement, good decision making, and helps us identify new opportunities.

Plans for the New Year:



"Planning is bringing the future into the present so that you can do something about it now."

—Alan Lakein

- Establish new performance measures for statewide collections.
- Implement a new OJIN OnLine billing process.
- Integrate the Person-Based Operational Data Store into our collections process.
- Implement statewide printing efficiencies.
- Complete testing and implement the automated 896 tax offset program.
- 2011 Legislative Session.
- Participate in the development of the Statement of Work for the integrated eCourt provider.
- Continue to participate in eCourt implementation.
- Strive for greater communication and coordination with our internal OJD partners.