

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4547-02
Bill No.: HCS for HB 1819
Subject: Cities, Towns and Villages; Property, Real and Personal; Political Parties
Type: Original
Date: February 20, 2020

Bill Summary: This proposal changes the law regarding court reporters.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
General Revenue*	(\$356,475)	(\$783,404)	(\$924,315)
Total Estimated Net Effect on General Revenue*	(\$356,475)	(\$783,404)	(\$924,315)

* The fiscal impact could vary substantially depending upon the actual start dates of the court reporters (which we do not have). Also, Oversight assumes the court reporters would only receive ONE of the raises on the grid (§485.060.3) on January 1, 2021. If the raises are allowed to compound based upon their years of service and court reporters receive multiple step raises on January 1, 2021, the fiscal impact would be much greater.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Local Government	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Office of the State Courts Administrator (OSCA)** assume \$485,060 of the proposal states that "each court reporter shall receive a one-time increase upon meeting the minimum number of cumulative years of service." OSCA assumes the court reporters would receive an increase each time they meet a new level of service and calculated the fiscal impact as if each court reporter would reach the highest level of salary throughout their career (21 years or more) and would be increased to the highest annual salary level indicated. Based on 147 court reporters at current salary levels, with an annual increase of \$20,313.77 per court reporter, the fiscal impact is an unknown cost of up to \$2,986,124 annually.

Oversight notes that the \$20,313.77 from OSCA's response is based on calculating the highest year of service (21+ years) and each court reporter receiving EACH of the four listed raises (5.25% plus 8.25% plus 8.50% plus 8.25% - compounded). OSCA used \$60,071.70 as a base salary. Oversight notes the bill states "a court reporter may received multiple modifications under this subsection as his or her years of service increase, **but only one modification under this subsection shall apply to the annual salary at a time.**" Therefore, Oversight will assume court reporters will only realize one step increase at January 1, 2021 - that according to the years of service:

- 06-10 years of service - 5.25% (or \$63,225)
- 11-15 years of service - 8.25% (or \$65,028)
- 16-20 years of service - 8.50% (or \$65,178)
- 21+ years of service - 8.25% (or \$65,028)

Oversight notes officials from OSCA provided a listing of the current court reporters, but would not provide a start date (to calculate years of service) for each. Therefore, Oversight will have to make the assumption that the 147 court reporters are distributed evenly on the experience spectrum of 0 years to 25 years of service. Oversight will also make the assumption that all raises will be given as of January 1st, regardless of when in the year the court reporter hit the new step year thresholds (6, 11, 16, and/or 21 years). Therefore, Oversight will reflect 6 months of impact in FY 2021 (January 1 - June 30). In FY 2022, Oversight will reflect the other six months of the January 1, 2021 raises, and six months of the January 1, 2022 raises.

Oversight will also assume fringe benefits of roughly 33% for retirement, social security, long-term disability, basic life insurance, unemployment compensation, and workers' compensation.

Oversight notes the actual fiscal impact could vary greatly depending upon actual years of service (which we do not have) for the court reporters.

ASSUMPTION (continued)

Officials at the **Office of Administration** assume no fiscal impact from this proposal.

In response to a previous version, officials at the **City of Springfield** assumed a potential slight positive fiscal impact to the City if the City elects to utilize audio, video, or digital recording in lieu of a reporter, and if those means are less costly than a reporter.

Officials at the **City of Kansas City** and the **City of Columbia** each assume no fiscal impact to their respective entities from this proposal.

In response to a previous version, officials at the **City of O’Fallon** assumed no fiscal impact from this proposal.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other cities were requested to respond to this proposed legislation, but did not. A general listing of political subdivisions included in our database is available upon request.

Oversight notes the proposal adds the option of audio, video, or digital recording as a means to keep records of all testimony for the Boards of Adjustment. Currently, all such records must be recorded by a reporter employed by the board for that purpose. Oversight assumes cities would choose the option that satisfies their needs, and cost savings may be a part of that decision. Therefore, Oversight will assume an impact to cities of \$0 or an unknown amount.

Oversight notes, with our assumption that only one step raise will be given to court reporters on January 1, 2021, that on January 1, 2022 it is likely some court reporters will be receiving a higher salary than those with more years of service.

<u>FISCAL IMPACT - State Government</u>	FY 2021	FY 2022	FY 2023
	(10 Mo.)		
GENERAL REVENUE			
<u>Costs - OSCA - salary adjustments for court reporters as of January 1st</u>			
Personal Service	(\$267,845)	(\$588,628)	(\$694,504)
Fringe Benefits	(\$88,630)	(\$194,777)	(\$229,811)
Total Costs - OSCA	<u>(\$356,475)</u>	<u>(\$783,404)</u>	<u>(\$924,315)</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>(\$356,475)</u>	<u>(\$783,404)</u>	<u>(\$924,315)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
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CITIES

<u>Savings</u> - potential savings from having an option of how Boards of Equalization public meetings are recorded	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
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ESTIMATED NET EFFECT ON CITY FUNDS	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill authorizes the Board of Adjustment to keep records of all testimony, objections thereto, and rulings thereon taken by a certified court reporter, a certified electronic recorder with basic knowledge of court proceedings and terminology who may use any form of audiotape, videotape, or digital recording, or an officer of the court as provided by Supreme Court Rule 57.

Currently, all such records must be taken down by a reporter employed by the board for that purpose, but who is not required to be certified.

Beginning January 1, 2021, each court reporter for a circuit judge with a minimum of 6 years of service shall receive stepped raises based upon his or her years of service as specified in the bill.

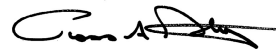
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the State Courts Administrator
Office of Administration
City of Springfield
City of Kansas City
City of Columbia
City of O'Fallon



Julie Morff
Director
February 20, 2020



Ross Strobe
Assistant Director
February 20, 2020