JUDICIAL COUNCIL OF CALIFORNIA

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April 20, 2018

Hon. Lorena S. Gonzalez-Fletcher, Chair
Assembly Appropriations Committee
State Capitol, Room 2114
Sacramento, California 95814

Subject: AB 2757 (Reyes), as introduced – Fiscal Impact Statement
Hearing: Assembly Appropriations Committee – April 25, 2018

Dear Assembly Member Gonzalez-Fletcher:

AB 2757 would increase, over a period of five years from enactment, the rate at which court reporters would be compensated for original transcripts, and copies of original transcripts of court proceedings. The bill would provide that on or after January 1, 2023, the fee for an original transcript is $1.13 for each 100 words, and for each copy purchased at the same time, the cost is $.20 for each 100 words; for first copy transcripts not purchased at the time of the purchase of the original transcript, the cost is $.26 per 100 words, and for each additional copy the cost is $.20 for each 100 words.

Fiscal Impacts
AB 2757 seeks to increase the rates for court reporter transcripts over five years.[1] Over the last three years, California trial courts' average annual expenditures for court reporter transcripts has

[1] Based on the schedule provided in the bill, the actual increases projected for each transcript would be as follows:
- Original transcripts would increase from $.85 to $1.13 per 100 words (32.9%)
- Copies purchased at the time of original transcript would increase from $.15 to $.20 per 100 words (33.3%)
- 1st copies purchased after the original transcript would increase from $.20 to $.26 per 100 words (30%)
- Additional copies after the original transcript would increase from $.15 to $.20 per 100 words (33.3%)

been $19,135,048.[2] To calculate the potential impact of AB 2527 on trial courts, we have estimated the increase of AB 2527 to be 37 percent over five years.[3] Such an increase would ultimately result in annual expenditures of more than $26.3 million, an increase of approximately $7.2 million. In just the first two years (through December 2020) should the bill be signed into law, transcript costs would increase to $21.4 million, an increase of 11.85 percent ($2.3 million).

Charging courts and other interested parties for transcripts is only one way in which court reporters are compensated for their work. In California, 48 out of the 58 courts (83%) have at least one court reporter on staff. As staff, court reporters receive wages and benefits in addition to income from transcript fees. As of the beginning of FY 2017–18, the courts employed 1,334.89 FTE court reporters statewide who made an average base salary of $99,432.[4]

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[2] This information was compiled from data reported by the trial courts from their fourth quarter Quarterly Financial Statements for fiscal years 2014-15, 2015-16, and 2016-17. Quarterly Financial Statement data can be found online here: http://www.courts.ca.gov/7552.htm.

[3] While the average of the increases proposed by AB 2527 is 32.375% (32.9+33.3+30+33.3=129.5÷4), the Judicial Council believes that greater weight should be given to the original transcript fees. This is based on two important considerations: first, original transcripts are more than five and a half times more costly than the other transcript fees; and, second, there is no data on the precise number of each kind of transcript purchased by each court. In the absence of the specific number of original transcripts purchased as compared to any of the other categories, and relying on anecdotal data from the courts and the court reporters, it seems most likely that original transcripts are the most frequently purchased by the courts.

Under current law, original transcript fees are 5.663 times more costly than are copies. Using 5.663 as the multiplier, our calculations are as follows (see FN 1 for the percentages used in the calculation, below):

> 32.9% x 5.663 = 186.31% + 33.3% + 30% + 33.3% = 282.91% ÷ 7.663 (7.663, which is the multiplier, added to two, representing a portion of the three other values to account for uncertainties, providing an overall weighted average in favor of the original transcripts) = 37%.

[4] Schedule 7A data, in which trial court staff positions, wages and vacancies are reported, is submitted to the Judicial Council in anticipation of the each new fiscal year. 7A data for each court can be found online here: www.courts.ca.gov/7552.htm

The ten largest courts employed 75 percent of the state's employee court reporters at an average base salary of $103,721 ($154,550 including benefits).[5]

Please contact Mark Neuburger if you have questions about the information contained in this letter at mark.neuburger@jud.ca.gov or 916-323-3121.

Sincerely,

Mailed April 24, 2018

Cory T. Jasperson
Director, Governmental Affairs

CTJ/MN/jh
cc: Members, Assembly Appropriations Committee
Hon. Eloise Gómez Reyes, Member of the Assembly
Ms. Jessica Peters, Consultant, Assembly Appropriations Committee
Mr. Anthony Lew, Counsel, Assembly Judiciary Committee
Mr. Paul Dress, Consultant, Assembly Republican Office of Policy
Mr. Daniel Seeman, Deputy Legislative Secretary, Office of the Governor
Ms. Rebecca Kirk, Budget Analyst, Department of Finance
Mr. Martin Hoshino, Administrative Director, Judicial Council of California

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	Court	FTEs	Avg. Salary	Avg. Sal + Bens
1.	Los Angeles	431	$104,463	$151,760
2.	Orange	73.6	$104,254	$151,218
3.	San Diego	83	$102,742	$165,705
4.	Riverside	75.5	$107,066	$148,426
5.	San Bernardino	69.6	$100,441	$143,265
	Top 5 subtotal:	732.76 (55%)	$103,793	$152,075
6.	Sacramento	67	$99,905	$153,116
7.	Santa Clara	58.8	$101,067	$162,264
8.	Alameda	58.63	$93,827	$146,817
9.	San Francisco	42	$121,874	$165,377
10.	Contra Costa	37.1	$101,568	$157,547
	Next 5 subtotal:	263.53 (20%)	$103,648	$157,024
	TOP 10 TOTALS	996.29 (75%)	$103,721	$154,550