

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0792S.01I
Bill No.: SB 237
Subject: Courts; Salaries; State Employees
Type: Original
Date: February 23, 2021

Bill Summary: This proposal modifies the compensation of court reporters.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue*	(\$924,512)	(\$1,916,219)	(\$2,050,608)
Total Estimated Net Effect on General Revenue*	(\$924,512)	(\$1,916,219)	(\$2,050,608)

*The fiscal impact could vary substantially depending upon the actual start dates of the court reporters (which we do not have). Oversight has made the assumption that the 147 court reporters are distributed evenly on the experience spectrum of 0 years to 25 years of service.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on FTE	0	0	0

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Courts Administrator (OSCA)** assume 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 \$20,685.17 per court reporter, the fiscal impact is an unknown cost of up to \$3,040,720.35 annually.

Oversight notes that the \$20,685.17 from OSCA's response is the difference of the rate at the highest year of service (21+ years) less the base salary. OSCA used \$60,071.70 as a base salary. Oversight will assume court reporters will realize their increase in salary based on the schedule of the years of service below starting January 1, 2022:

06-10 years of service -	\$63,226
11-15 years of service -	\$68,442
16-20 years of service -	\$74,260
21+ years of service -	\$80,757

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 assume "Beginning on January 1, 2022" means that court reporters will be eligible for pay raises as they attain the requisite years of service (therefore, in addition to the raises awarded on January 1, 2022, raises could be earned each year thereafter as long as the court reporter hit the new thresholds). 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 2022 (January 1 - June 30). In FY 2023, Oversight will reflect the other six months of the January 1, 2022 raises, and six months of the January 1, 2023 raises.

Oversight will also assume fringe benefits of roughly 33.75% 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.

Officials from the **Office of Administration - Administrative Hearing Commission** and the **Office of Administration** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

<u>FISCAL IMPACT –</u> <u>State Government</u>	FY 2022 (6 Mo.)	FY 2023	FY 2024
GENERAL REVENUE			
<u>Costs – OSCA –</u> salary adjustments for court reporters as of January 1 st			
Personal Service	(\$691,224)	(\$1,432,687)	(\$1,533,165)
Fringe Benefits	(\$233,288)	(\$483,532)	(\$517,443)
Total Costs – OSCA	(\$924,512)	(\$1,916,219)	(\$2,050,608)
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>(\$924,512)</u>	<u>(\$1,916,219)</u>	<u>(\$2,050,608)</u>

<u>FISCAL IMPACT –</u> <u>Local Government</u>	FY 2022 (6 Mo.)	FY 2023	FY 2024
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

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

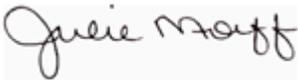
FISCAL DESCRIPTION

This act provides that the annual salary of each court reporter for a circuit judge shall be adjusted by a percentage based on each court reporter's cumulative years of service with the circuit courts.

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
Office of Administration - Administrative Hearing Commission



Julie Morff
Director
February 23, 2021



Ross Strobe
Assistant Director
February 23, 2021