

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0725S.01I
 Bill No.: SB 154
 Subject: Courts; Salaries; State Employees
 Type: Original
 Date: January 26, 2023

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

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
General Revenue*	\$0	\$0	\$0
Total Estimated Net Effect on General Revenue*	\$0	\$0	\$0

*Oversight assumes the bill clarifies the pay raises Court Reporters received (or were supposed to receive) on January 1, 2022, from HB 271 (2021). In the fiscal note for HB 271, Oversight assumed the pay increases, based on length of employment (5.25%, 8.25%, 8.50% & 8.75%), would be compounded (as they are specified in this bill). In that fiscal note, Oversight made the assumption that the 147 court reporters are distributed evenly on the experience spectrum of 0 years to 21+ years of service and therefore reflected an annual cost of approximately \$2 million to the General Revenue Fund for these raises. **Oversight notes the actual fiscal impact could vary greatly depending upon actual years of service (which Oversight does not have) for the court reporters.**

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
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 2024	FY 2025	FY 2026
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
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 2024	FY 2025	FY 2026
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, the fiscal impact would be a cost of at least \$3,272,085 and up to \$8,604,946.

Oversight has requested additional information from the OSCA regarding their response to court reporter salaries. Upon the receipt of this information, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note if needed.

Oversight notes that the \$22,259.15 is the difference of the rate at the highest year of service (21+ years) less the base salary. OSCA used \$64,643 as a base salary. Oversight will assume court reporters will realize their increase in salary based on the schedule of the years of service:

Current salary		\$64,643
06-10 years of service (initial 5.25% raise)	-	\$68,037
11-15 years of service (...plus a 8.25% raise)	-	\$73,650
16-20 years of service (...plus a 8.50% raise)	-	\$79,910
21+ years of service (..plus a 8.75% raise)	-	\$86,902

Oversight notes officials from OSCA provided a previous listing of the current court reporters from 2021, but would not provide a start date (to calculate years of service) for each. Therefore, Oversight will make the assumption that the 147 court reporters are distributed evenly on the experience spectrum of 0 years to 21+ years of service.

Oversight reflected the following cost of the raises in 2021 fiscal note for TAFP... HB 271:

	FY 2022 (6 months)	FY 2023	FY 2024
Personal Service	(\$691,224)	(\$1,432,687)	(\$1,533,165)
Fringe Benefits	(\$233,288)	(\$ 483,532)	(\$ 517,443)
Total Cost to General Revenue	(\$930,975)	(\$1,916,219)	\$2,050,608)

Oversight assumed a fringe benefit rate of roughly 33.75% for retirement, social security, long-term disability, basic life insurance, unemployment compensation, and workers' compensation. Oversight assumes medical insurance fringe benefit expense per employee would not be impacted.

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

Oversight notes it has already reflected the fiscal impact of these pay increases in the fiscal note for TAFP HB 271 in 2021, that were supposed to occur beginning January 1, 2022. Therefore, Oversight will make the assumption that this language is clarifying and therefore will not reflect an additional fiscal impact from this bill.

In response to similar legislation from 2021, SB 237, officials from the **Office of Administration - Administrative Hearing Commission** and the **Office of Administration** each assumed 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 2024 (6 Mo.)	FY 2025	FY 2026
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT –</u> <u>Local Government</u>	FY 2024 (6 Mo.)	FY 2025	FY 2026
	<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.

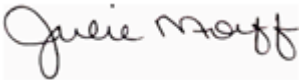
FISCAL DESCRIPTION

This act modifies the annual salary of court reporters for a circuit judges by providing that the percentage based on each court reporter's cumulative years of service with the circuit courts shall include the percentage increases for the previous range of years of service. Additionally, this act repeals the provision stating that a court reporter may receive multiple adjustments as his or her years of service increase, but that only one percentage increase shall apply to the annual salary at a time.

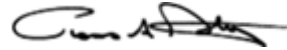
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the State Courts Administrator
Office of Administration
Office of Administration - Administrative Hearing Commission



Julie Morff
Director
January 26, 2023



Ross Strobe
Assistant Director
January 26, 2023