

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0795S.02P
 Bill No.: Perfected SCS for SB 103
 Subject: Boards, Commissions, Committees, and Councils; Courts; Fees;
 Type: Original
 Date: February 15, 2023

Bill Summary: This proposal modifies provisions relating to court automation, including expanding the number of members on the court automation committee and extending the expiration dates for provisions relating to court automation.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
General Revenue**/**/+/>	Could Exceed (\$1,835,625)	Could Exceed (\$2,202,750)	Could Exceed (\$2,202,750)
Total Estimated Net Effect on General Revenue	Could Exceed (\$1,835,625)	Could Exceed (\$2,202,750)	Could Exceed (\$2,202,750)

*The current appropriation (12.320) for the Statewide Court Automation program includes a \$2 million General Revenue supplement – which Oversight assumes will continue if the sunset date is extended to 2029 with this proposal.

**Oversight also assumes, should the Statewide Court Automation Fund be extended to September 1, 2029, there will be no transfer of the unexpended balance to the General Revenue Fund after September 1, 2023 as currently required in §476.055.1 RSMo. Oversight notes the balance for Fund 0270 at December 31, 2022 was \$5,030,475.

+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.**

++Oversight notes this proposal repeals (§488.650) the \$250 surcharge the state is currently allowed to collect under §488.650 to file a petition for expungement. Oversight assumes losses due to the proposal could reach the \$250,000 threshold.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Statewide Court Automation Fund (0270)	\$1,175,595	\$1,410,714	\$1,410,714
Total Estimated Net Effect on <u>Other</u> State Funds	\$1,175,595	\$1,410,714	\$1,410,714

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
State Court Automation Fund (0270)*	34 FTE	34 FTE	34 FTE
Total Estimated Net Effect on FTE	34 FTE	34 FTE	34 FTE

*Oversight notes these are current positions and this bill simply extends the sunset of the Statewide Court Automation fund (and the funding of these positions)

- 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

§476.055 – Statewide Court Automation Fund

In response to a previous version, officials from the **Office of the State Courts Administrator (OSCA)** assumed this proposal extends the expiration dates for provisions relating to the Statewide Court Automation Fund. §476.055 would extend the Statewide Court Automation Fund until September 1, 2029. The Statewide Court Automation Fund’s annual appropriation is approximately \$6.6 million and 34 FTE.

Officials from the **Office of the State Public Defender** and the **Missouri Office of Prosecution Services** 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.

Oversight notes the Statewide Court Automation Fund is a statutorily created fund and was created to build and sustain "an integrated court system that renders geography largely irrelevant...with greater efficiency, wider access, and enhanced accountability" for the litigant and taxpayer. This plan includes installation and ongoing development of Show-Me Courts, Show-Me Jury, Case.net, eFiling, Track This Case, Pay-By-Web, eBench, and other software packages. The fund is set to expire September 1, 2023.

The fund has a court fee of \$7 per case and has received the following receipts during FY19 – FY22:

STATEWIDE COURT AUTOMATION FUND (0270)	
	<u>Receipts</u>
FY 19	\$ 4,205,465
FY 20	\$ 3,889,127
FY 21	\$ 3,632,708
FY 22	\$ 4,500,815
Total	\$ 16,228,115
4 year average	\$ 4,057,029
Source: State Treasurer Fund Activity Reports	

Oversight notes the appropriation for the Statewide Court Automation program is made up of General Revenue Funds and funds from the Statewide Court Automation Fund. Below is a history of the expended funds for the last three fiscal years:

STATEWIDE COURT AUTOMATION				
	<u>Appropriation</u>	<u>General Revenue</u>	<u>Statewide Court Automation Fund</u>	<u>Unexpended Fund</u>
FY 20	\$ 7,276,217	\$ 2,000,000	\$ 3,269,800	\$ 2,006,417
FY 21	\$ 7,302,126	\$ 2,000,000	\$ 2,330,611	\$ 2,971,515
FY 22	\$ 7,336,965	\$ 2,000,000	\$ 2,338,534	\$ 2,998,431
Average	\$ 7,305,103	\$ 2,000,000	\$ 2,646,315	\$ 2,658,788
Source: FY 24 OSCA Budget Requests Book				

Oversight notes this proposal will extend the program until September 1, 2029. If this proposal is extended, Oversight assumes revenue and expenditures will continue for the fund and will therefore use the average amount, from the tables above, to reflect the fiscal impact over the next 3 years for this fund.

The appropriations for the Statewide Court Automation Fund includes 34 FTEs. **Oversight** assumes should this proposal be extended, the 34 FTEs will also continue to be funded through the Statewide Court Automation program and will be reflected in the table below.

Senate Amendment #1 - §485.060 – Court Reporters Compensation

In response to similar legislation from this year, SB 154, officials from the **Office of the State Courts Administrator (OSCA)** assumed 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.

Senate Amendment #2 - §488.650 – Repeals \$250 surcharge on expungements

Oversight notes the provisions of this proposal repeal the \$250 surcharge the state is currently allowed to collect under §488.650 to file a petition for expungement. Oversight contacted the

MHP and was provided with the following number of expungements processed through the Patrol for the previous three (3) calendar years:

2020 – 797
2021 – 957
2022 – 678

For purposes of this fiscal note, Oversight will take an average of these three years ($797 + 957 + 678 = 2,432 / 3 = 811$) and will reflect the loss to General Revenue as could exceed (\$168,958) for FY 2024 (10 months) and could exceed (\$202,750) for subsequent years. Oversight notes these proceeds are payable to the General Revenue Fund.

In response to similar legislation from 2022, officials from the **Department of Revenue**, the **Missouri Department of Transportation**, the **Missouri Office of Prosecution Services**, the **City of Kansas City**, the **Branson Police Department**, the **Kansas City Police Department**, the **St. Joseph Police Department**, the **St. Louis County Police Department**, and the **Phelps County Sheriff's Department** assumed the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these organizations.

Bill as a Whole

Officials from the **Attorney General's Office**, the **Missouri Highway Patrol**, the **City of Springfield** and the **Phelps County Sheriff's Office** 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 – State Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
GENERAL REVENUE			
<u>Cost</u> – OSCA – continuation of expenditures (§476.055)	(\$1,666,667)	(\$2,000,000)	(\$2,000,000)
<u>Loss</u> – (\$488.650) Repeal of \$250 expungement surcharge SA 2	<u>Could exceed</u> (\$168,958)	<u>Could exceed</u> (\$202,750)	<u>Could exceed</u> (\$202,750)
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>Could Exceed</u> <u>(\$1,835,625)</u>	<u>Could Exceed</u> <u>(\$2,202,750)</u>	<u>Could Exceed</u> <u>(\$2,202,750)</u>
STATEWIDE COURT AUTOMATION FUND (0270)			
<u>Revenue</u> – OSCA – continuation of receipts received from \$7 court fee (§476.055)	\$3,380,858	\$4,057,029	\$4,057,029
<u>Cost</u> – OSCA – continuation of expenditures (§476.055)	(\$2,205,263)	(\$2,646,315)	(\$2,646,315)
FTE Change (continuation) – OSCA	34 FTE	34 FTE	34 FTE
ESTIMATED NET EFFECT ON THE STATEWIDE COURT AUTOMATION FUND	<u>\$1,175,595</u>	<u>\$1,410,714</u>	<u>\$1,410,714</u>
Estimated Net FTE Change (continuation) for the Statewide Court Automation Fund	34 FTE	34 FTE	34 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 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

§476.055 – Statewide Court Automation Fund

This act modifies provisions relating to court automation, including increasing the number of members of the Court Automation Committee and extending the expiration date of the provision regarding the court automation.

Currently, there are twenty-three members of the Court Automation Committee. This act increase the number of members to twenty-five by adding two employees who work full-time in a municipal division of a circuit court.

Additionally, this act provides that any unexpended balance remaining in the Statewide Court Automation Fund shall be transferred to general revenue on September 1, 2029, rather than September 1, 2023. Additionally, the court fee collected for the Statewide Court Automation Fund shall expire on September 1, 2029, rather than September 1, 2023. Finally, this act repeals the provision requiring the Court Automation Committee to complete its duties by September 1, 2025, and repeals the expiration date for the provision establishing the Statewide Court Automation Fund and the Court Automation Committee.

§485.060 – Court Reporters Compensation

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.

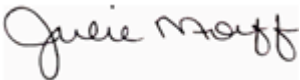
§488.650 – Repeals \$250 surcharge on expungements

This act repeals provisions relating to the \$250 surcharge to file a petition for expungement.

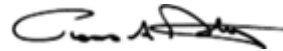
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the State Courts Administrator
Office of the State Public Defender
Missouri Office of Prosecution Services
Office of Administration
Office of Administration - Administrative Hearing Commission
Missouri Highway Patrol
Attorney General's Office
Department of Revenue
Missouri Department of Transportation
Kansas City
City of Springfield
Branson Police Department
Kansas City Police Department
St. Joseph Police Department
St. Louis County Police Department
Phelps County Sheriff's Office



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