



## JUDICIAL COUNCIL OF CALIFORNIA

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June 28, 2019

Hon. Anthony J. Portantino, Chair  
Senate Appropriations Committee  
State Capitol, Room 3086  
Sacramento, California 95814

Subject: AB 1385 (Santiago), as amended June 21, 2019 – Fiscal Impact Statement

Dear Senator Portantino:

AB 1385 increases the rate at which court reporters are compensated for original transcripts, and copies of original transcripts of court proceedings. The bill provides that on or after July 1, 2020, 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 1385 increases the rates for court reporter transcripts by at the beginning of fiscal year 2020-21.<sup>1</sup> Over the last three years, California trial courts' average annual expenditures for court

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<sup>1</sup> 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%)
- 1<sup>st</sup> 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%)

reporter transcripts has been \$18.9 million.<sup>2</sup> To calculate the impact of AB 1385 on trial courts, we have estimated the increase of AB 1385 to be 37 percent which would become effective on July 1, 2020.<sup>3</sup> Such an increase would immediately result in annual expenditures of more than \$26.0 million, an increase of approximately \$7.1 million.

We note that there are two related cost pressures on the courts that add context to our concern about the fiscal impacts of AB 1385. First, the California Supreme Court recently ruled, in *Jameson v. Desta* (2018) 5 Cal.5<sup>th</sup> 594, that self-represented litigants who are entitled to a waiver of filing fees also are entitled to a verbatim record for the purposes of appeal. Second, in the Budget Act of 2018 (Chs. 29 and 30, Stats. of 2018), \$10 million was provided to increase court reporters in family law cases where unrepresented litigants make up between 75% and 85% of all litigants. That funding, while helpful in achieving greater availability of court reporting in California's courts, does not sufficiently address the need, and coupled with the *Jameson* decision strains existing court resources. An increase in transcript fees would reduce the funding available for courts to provide reporters for unrepresented and indigent litigants.

Charging courts for transcripts is only one way in which court reporters are compensated for their work. In California, 50 out of the 58 courts (86%) have at least one court reporter on staff. As staff, court reporters receive wages and benefits in addition to income from transcript fees paid by the courts and other interested parties. As of the beginning of FY 2018–19, the courts employed 1,377 FTE court reporters statewide. The ten largest courts employed approximately

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<sup>2</sup> This information was compiled from data reported by the trial courts from their fourth quarter Quarterly Financial Statements for fiscal years 2015-16, 2016-17, and 2017-18 rounded to the nearest hundred thousand dollars. Quarterly Financial Statement data can be found online here: <http://www.courts.ca.gov/7552.htm>.

<sup>3</sup> While the average of the increases proposed by AB 1385 is 32.375% ( $32.9+33.3+30+33.3=129.5\div 4$ ), 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 costlier 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):

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

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75 percent (1,027 FTE's) of the state's court reporters at an average base salary of \$103,734 (\$157,895 including benefits).<sup>4</sup>

If you have any questions, please feel free to contact Mark Neuberger at (916) 323-3121 or mark.neuberger@jud.ca.gov.

Sincerely,

*Mailed June 28, 2019*

Cory T. Jaspersen  
Director, Governmental Affairs

CTJ/MN/jh

cc: Members, Senate Appropriations Committee  
Hon. Miguel Santiago, Member of the Assembly  
Mr. Shaun Naidu, Senate Appropriations Committee  
Mr. Matt Osterli, Consultant, Senate Republican Office of Policy  
Ms. Melissa Immel, Deputy Legislative Secretary, Office of the Governor  
Ms. Timothy Weber, Budget Analyst, Department of Finance  
Mr. Martin Hoshino, Administrative Director, Judicial Council of California

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|     | <u>Court</u>     | <u>FTEs</u> | <u>Avg. Salary</u> | <u>Avg. Sal + Bens</u> |
|-----|------------------|-------------|--------------------|------------------------|
| 1.  | Los Angeles      | 454         | \$105,963          | \$158,112              |
| 2.  | Riverside        | 87          | \$111,789          | \$157,885              |
| 3.  | San Bernardino   | 78          | \$102,403          | \$146,728              |
| 4.  | Orange           | 73          | \$101,685          | \$145,529              |
| 5.  | San Diego        | 73          | \$102,747          | \$171,664              |
|     | Top 5 subtotal:  | 765 (56%)   | \$104,917          | \$155,984              |
| 6.  | Sacramento       | 63          | \$100,386          | \$160,547              |
| 7.  | Alameda          | 63          | \$98,377           | \$142,476              |
| 8.  | Santa Clara      | 59          | \$103,800          | \$164,470              |
| 9.  | San Francisco    | 40          | \$121,090          | \$176,759              |
| 10. | Kern             | 37          | \$89,099           | \$154,782              |
|     | Next 5 subtotal: | 262 (19%)   | \$102,550          | \$159,807              |
|     | TOP 10 TOTALS    | 1,027 (75%) | \$103,734          | \$157,895              |