



COURT REPORTERS BOARD OF CALIFORNIA MINUTES OF OPEN SESSION JANUARY 30, 2009

CALL TO ORDER

Mr. Gregory Finch, Chair, called the meeting to order at 10:03 a.m. at the Court Reporters Board, Third Floor Conference Room, 2535 Capitol Oaks Drive, Sacramento, California.

ROLL CALL

Board Members Present: Gregory Finch, Public Member, Chair
Toni O'Neill, CSR, Licensee Member, Vice Chair
Elizabeth Lasensky, Public Member

Board Members Absent: Lori Gualco, Public Member

Staff Members Present: Yvonne K. Fenner, Executive Officer
David E. Brown, Assistant Executive Officer
Dianne R. Dobbs, Staff Counsel

A quorum was established and the meeting continued.

Mr. Finch greeted Ms. Doreathea Johnson, Deputy Director of Legal Affairs for the Department of Consumer Affairs (DCA).

MINUTES OF THE OCTOBER 17, 2008 MEETING

Ms. Lasensky moved to approve the minutes. Second by Ms. O'Neill. Ms. Dobbs pointed out on page 7 of the board packet, in the third paragraph under the Executive Officer Report, the first line should read "Mr. Brown drew the Board members' attention to a chart..." and also that there was a typo in the title of the Legislation Update section. Ms. Lasensky amended the motion to approve the minutes as corrected. Ms. O'Neill seconded; **MOTION CARRIED.**

BOARD AND STAFF APPEARANCES

Mr. Finch reported attending the Legislative Committee meeting held on December 11, 2008; a meeting with DCA on the issue of streamlining of the boards; as well as participating in the PACT Summit in Los Angeles in November, 2008; and meeting with the Executive Officer on a couple of occasions.

Ms. O'Neill noted that she chaired the Legislative Committee meeting held on December 11, 2008, and has had a lot of contact with the CRB office to keep up on what's going on.

Ms. Lasensky reported numerous e-mails and phone calls with the Executive Officer(s) and noted that she is going to be a speaker at the California Official Court Reporters Association convention in San Francisco in April.

Ms. Fenner reported she attended the PACT Summit with Mr. Finch in November 2008 as well as a meeting of the board of directors of the California Court Reporters Association in January 2009. She reported she met with the Deputy Director of the DCA, Scott Reid, on the proposed elimination of the CRB, as well as attended a stakeholders meeting that was led by DCA Director Carrie Lopez. She reported attending the Advisory Board meeting of Argonaut Court Reporting School, a public school in Sacramento. She summed up that it had been a very busy month.

EXECUTIVE OFFICER REPORT

Ms. Fenner gave the budget report, noting that while there is a deficit shown on the report, we should come out in the black. As an example, she explained that on exam expenses, exam rent non-state, when a contract is signed, the full amount is encumbered. When we know the final amount, only then can it be released. She reported that she had met with the budget analyst and Mr. Brown and Ms. Conkle to go over the complete budget line by line in order to ensure a positive year-end result.

Ms. Lasensky referred to the overtime line item under personal services, noting that the allotment is \$500, asking what our historical expenditure is. Mr. Brown noted that it's typically \$6,000. Ms. O'Neill asked why the budget allotment shows \$500, and Mr. Brown explained that that's just the historical number that's been carried over from year to year. Ms. Fenner noted that a BCP would have to be done in order to change that historic number. Ms. Lasensky asked if that same situation applied to temporary help, and Ms. Fenner confirmed that it did.

In response to Ms. Lasensky's concerns, Mr. Finch offered an explanation based on his experience with the budget. He noted that the procedure for changing the budget allotment is quite strenuous and for that reason the Board has historically read through the budget with an eye toward the overall bottom line. Mr. Brown added that the line items are based on what are called object codes, which accounting uses for boards statewide, so some things cannot be changed through any procedure.

Ms. Lasensky stated that when she assures people that the Board is fiscally okay, she wants to be sure that is true.

Mr. Finch asked staff for an historical perspective for comparison purposes. Ms. Fenner noted that historically we end up with \$10,000 to \$20,000 in the black.

Ms. Lasensky asked what happened to any end-of-year surplus, and Mr. Finch noted that it was not like a private business where that could be redirected. He noted that the Board is subject to the budget process such that it is and the best indication is looking historically at the final budgets that have come in the black. Ms. Fenner assured the Board that programs were being run in a fiscally sound manner, very close to the bottom line number. Mr. Finch reiterated that historically we're in about the same position as prior years.

Ms. Fenner went on to point out the next section of the Board packet, the analyses of our fund condition under several scenarios: no fee change, increasing the license fee to \$125 and the

written exam fee to \$25, and then increasing the license fee to \$125 and the written exam fee to \$50. She reminded the Board that we are completely self-funded by license fees and that a portion goes into a separate account for the Transcript Reimbursement Fund and the rest stays in a special fund to be used for Board operations and programs. She explained the pro rata process, in very layman's terms, an invoice for the CRB's percentage use of state services. That pro rata has grown significantly, while income from license fees has remained stable.

Ms. Fenner pointed out that with no fee changes, the fund is projected to run out of money in fiscal year 2013/14, giving the Board a little while to think about how they would want to address that. This item is informational as the Board goes into strategic planning.

Moving into the state budget, Ms. Fenner reported that she had notified the Board on January 2, 2009, that the CRB appeared in the Governor's proposed budget as an entity to be eliminated in an effort to streamline government. She pointed out current language in the Governor's proposal on page 23 of the Board packet. The proposal notes eliminating the CRB would result in a saving of up to \$862,000. Best guess is that's an old budget number, but we do not know where that number came from. Ms. O'Neill noted that we're self-funded. Ms. Fenner noted we disagree with the savings number, but this is what has been published. She further noted that the proposal published in the Governor's budget goes on to say that elimination of the CRB would allow the market to regulate this mostly independent contractor business.

At the stakeholders meeting conducted by the DCA, Ms. Fenner reported that DCA was asking for proposals from the stakeholders. She also reported that she and Mr. Finch on behalf of the Board expressed concern that there was no consumer input into what apparently was some kind of planning session.

Ms. Johnson added that at this point the DCA does not have a proposal. She assured the Board that as soon as they get one, they will be sharing that with the Board in order to get input before the proposal is finally submitted. She reported that there has been discussion with the State Bar as regards to transferring the CRB, so it would be transferred to another entity rather than eliminated, but nothing concrete has come of that to date. She noted that no one has much information right now regarding the overall proposal by the Administration to reorganize for greater efficiency. She stated that at some point a meeting would be held for people to express concerns, preferably in a round-table setting, but that she would be happy to take back to the Department any concerns anyone at the meeting might have.

Ms. Lasensky noted that she had several concerns, beginning with she believes the premise of the elimination proposal is false, specifically that there would be a savings of \$862,000. She added that she does not believe that markets regulate themselves. She stated that she does not believe the proposal is in the best interests of the consumers, whether that consumer is the judicial system or court reporting agencies or the general public.

Ms. Johnson stated that she believes much of what Ms. Lasensky stated is realized, especially in terms of the regulatory aspect, and that is why there is no specific proposal yet. She said making sure consumer protection is met is the highest priority.

Sheri Turner Gray, president of the California Court Reporters Association, asked from where the proposal was expected to come.

Ms. Johnson stated her understanding is that at the stakeholders meeting they requested information or input.

Ms. Turner Gray asked for clarification as to whether the proposal would be coming from the Director or her staff.

Mr. Finch noted that the response to the specific questions is much the same as it was at the stakeholders meeting, namely that no one is really sure yet how it's going to be formulated. He noted that the concerns Ms. Lasensky expressed so concisely are reflective of the feedback he gave at the stakeholders meeting. He is of the opinion that the Department has been given a directive to do this, and they will come up with something, and until they do, we just have to wait. He reported that the issue of licensure came up at the stakeholders meeting, and the Director said that that was not on the table. He said that means that the proposal would have to be framed within that context.

Ms. Turner Gray expressed interest in an additional stakeholders meeting with a full complement of consumers in attendance.

Moving on, Ms. Fenner reported that the latest news on the furlough is that it is going forward and confirmed that the CRB offices will be closed the first and third Fridays of the month starting in February.

Referring to page 31 of the Board packet, results of computer-based testing are showing a marked increase in the pass rate.

Ms. Fenner reported good response to the latest publication of CRB Today, the winter edition. Mr. Finch gave praise for the size and content of the newsletter, pointing out specifically the disciplinary and enforcement actions.

Mr. Brown noted that this edition would likely be the last paper version of the newsletter and that future editions would be available electronically.

Mr. Matthew Spivek asked if there was any advantage to increasing license fees as a way of addressing the elimination proposal. Ms. Fenner pointed out that that wouldn't help because license fees go into a special fund to finance the activities of the CRB and do not go directly into the State's general fund. Mr. Finch clarified the difference between special funds and the general fund and reiterated the CRB is funded through license fees only. He also acknowledged that the State is in a fiscal crisis and that the Administration is trying to do something to solve it.

LEGISLATIVE COMMITTEE REPORT

Ms. O'Neill expanded on the results of the Legislative Committee meeting. She said she will report on the recommendations, but recommend that the Board take the recommendations with them into strategic planning. Specifically the three recommendations the committee made to the Board are as follows:

1. The Board legislatively pursue mandatory continuing education
2. The Board legislatively pursue firm oversight
3. The Board look at the concept of approving curriculum for schools that offer complete distance learning or are completely on-line.

There was no public input on any of the three recommendations.

STRATEGIC PLANNING

Kris Grangaard and Cindy Kanemoto of the Department of Consumer Affairs Office of Strategic Organization, Leadership and Individual Development facilitated the CRB's strategic planning session. The Board looked at past accomplishments; looked at issues identified through the SWOT analyses; reviewed its mandate from the Legislature; reviewed its mission, vision and values, reviewed goals from the previous strategic plan with an eye toward identifying ongoing responsibilities; identified and prioritized goals to be the basis of the new strategic plan.

FUTURE MEETING DATES

Future meeting dates were discussed. The rest of the 2009 meeting calendar was tentatively set as March 13 in Sacramento, June 26 in LA in conjunction with the CSR exam and October 16 in Sacramento in conjunction with the CSR exam. Times will be decided at a later date.

PUBLIC COMMENT

Ms. Turner Gray thanked the Board for doing an awesome job. She noted that CCRA has instituted a letter writing campaign in opposition to the elimination proposal and is working to educate all stakeholders as to the Board's role and activities.

ADJOURNMENT

Mr. Finch adjourned the meeting at 3:15 p.m.



GREGORY FINCH, Board Chair

3/13/09
DATE



YVONNE K. FENNER, Executive Officer

3/16/09
DATE