

**COURT REPORTERS BOARD OF CALIFORNIA**  
**FINAL STATEMENT OF REASONS**

Hearing Date: July 2, 2018

Subject Matter of Proposed Regulations:

(1) Section(s) Affected: 2450 Fee Schedule

Updated Information

The Initial Statement of Reasons is included in the file. The information contained therein is updated as follows:

The 45-day public comment period began on May 11, 2018, and closed at 5:00 p.m. on July 2, 2018. A public hearing was held on July 2, 2018, with no comments or testimony received.

During the 45-day comment period, 11 written comments were received. On July 19, 2018, the Board met and considered the comments, and responded to each comment.

Regarding the 45-Day Notice and the Initial Statement of Reasons, the Board would like to clarify that this rulemaking may impact business. The Board acknowledges that licensees who work directly with their own clients without an agency will experience an increased cost of business as their license fee will increase.

The Board is withdrawing the proposed per-exam-part fee increase in section 2450(a) from OAL Matter No. 2018-1009-02S. The Board plans to revisit this proposed fee increase and resubmit a change to this fee before the one-year expiration of the 45-Day Notice.

The "Sample Official Court Reporter Salary Information" identified as "Underlying Data" is contained directly in the Initial Statement of Reasons itself.

Local Mandate

A mandate is not imposed on local agencies or school districts.

Small Business Impact

The Board has determined that the proposed regulations would not affect small businesses in the state of California as the proposed amendments affect only individual practitioners renewing their Board-issued certificate, individual applicants for licensure,

and individual exam candidates.

The anticipated benefits of this regulatory proposal are:

The Board has determined that this regulatory proposal will primarily benefit California consumers by ensuring sufficient revenue levels are maintained for the Board to administer and enforce the provisions of the Shorthand Reporters Act. Specifically, this proposal is designed to enable the Board to continue its licensing, disciplinary, and oversight operations in the interest of the health, safety, and welfare of California consumers by ensuring only actively licensed practitioners are providing court reporting services. Additionally, this regulatory proposal will provide statutorily required funding for the Transcript Reimbursement Fund (TRF), which provides reimbursement for transcript costs to qualified indigent litigants.

Consideration of Alternatives

No reasonable alternative to the regulatory proposal would be either more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed action or more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

Any proposal for a fee increase less than what is being proposed will not allow the Board to fund the TRF, a statutory mandate from the Legislature, because the months in reserve would drop below six. Keeping fees at the current levels would prevent the Board from fulfilling its consumer protection mandate because it would no longer have the available funds for licensing, enforcement, school oversight, and administration and funding of the TRF.

Objections or Recommendations/Responses

45-Day Public Comment Period

A public hearing was held on July 2, 2018. No comments or testimony were offered.

During the 45-day public comment period, 11 comments were received. The comments were provided to the Board in the board agenda packet for the July 19, 2018, meeting. The comments were reviewed and considered by the Board.

Comment #1:

A comment was received via email on May 16, 2018, from Laureen Badar, CSR, RMR. Licensee Badar is licensed in New Mexico, Arizona, and California and states: "An increase in the California dues will seriously cause me to think about allowing my California license to lapse. I also pay annual dues to NCRA and attend seminars and classes for CEU credits annually."

Additionally, Licensee Badar requested that the board “also consider a significantly reduced fee to have my license frozen or put on hold in the chance I do move back to California.”

Response to Comment #1:

The Board rejects the recommendation. If the license is not being used, it may remain in a delinquent status for up to three years, a de facto reduction. The workload of Board staff is the same no matter what status the license is in. The proposed fee is reasonable and necessary based upon current revenue and expenditures. Adding an additional license category would be confusing to the consumer.

Comment #2:

A comment was received via email on May 18, 2018, from Eric Throne, CSR, RMR, CRR, CRC. Licensee Throne stated: “Wanted to say I’m in complete agreement with the proposed increase.”

Response to Comment #2:

The Board accepts the comment.

Comment #3:

A comment was received via email on May 18, 2018, from Shelly, a licensee, stating: “I support the attached increases. I understand that fewer persons are taking the exams each year, as well as fewer persons are entering schools for this profession, so it is reasonable for the Board to take proactive measures to ensure its continuity.”

Response to Comment #3:

The Board accepts the comment.

Comment #4:

A comment was received via email on May 21, 2018, from Catherine Luciano, a licensee with a reinstatement hearing pending. Ms. Luciano stated: “Perhaps I can sum up my feelings by saying we get what we pay for.” She goes on to offer specific examples of her experience with licensing in other states. She stated: “CRB of CA currently has an outstanding, knowledgeable office staff and Board members, along with providing reporters and the public with an abundance of resources available at our fingertips. The Web site is impressive and relevant.” She also stated: “I do not oppose a fee increase. I support it.”

Response to Comment #3:

The Board accepts the comment.

Comment #5:

A comment was received via email on June 26, 2018, from Jennifer Matteo, a licensee. Licensee Matteo stated: “This is an email in opposition of the license fee increase. While I understand the need to increase fees, I find an 80% change absurd. Please

look at other ways to increase your TRF revenue.”

Response to Comment #5:

The Board rejected this comment. The objection to the amount of the increase is rejected because while the proposed increase is 80%, the total proposed license fee of \$225 is low as compared to other professional licenses.

As far as alternative funding sources for the TRF, the Board accepts the recommendation and continues to work with stakeholders to secure alternate/additional funding for the TRF. However, the Board is still mandated statutorily to fund the TRF through licensing renewal fees and to consider the TRF when making decision regarding the amount of such renewal fees.

Comment #6:

A comment was received via email on June 29, 2018, from Salena Copeland, executive director of Legal Aid Association of California (LAAC). Ms. Copeland stated: “LAAC speaks for the entire legal aid community in very strong support of this proposal and for the critical importance of the Transcript Reimbursement Fund.”

Response to comment #6:

The Board accepts the comment.

Comment #7:

A comment was received via email on June 29, 2018, from Jennifer Dorfman Wagner, Esq., Direct of Programs for the Family Violence Appellate Project (FVAP). [Note: The letter contains a typo, dating it July 29, 2018.] Ms. Dorfman Wagner stated: “Family Violence Appellate Project (FVAP) strongly supports the proposed rule to slightly increase court reporter’s fees in order to appropriately fund the Transcript Reimbursement Fund (TRF), and thanks the Board for initiating this crucial action.” Ms. Dorfman Wagner explained the FVAP is the only statewide agency providing free appellate services to survivors of domestic violence and stated: “...we can unequivocally vouch that without TRF funds, low-income domestic violence survivors will face insurmountable obstacles to justice that may well place them and their children in danger.” Ms. Dorfman Wagner gave specifics regarding FVAP and the importance of having a transcript for appellate purposes and, therefore, the related importance of the TRF.

Response to Comment #7:

The Board accepts the comment, noting the subjective nature of “to slightly increase.” The Board acknowledges the increase is higher than prior fee increases, but finds the increases necessary for the Board to continue its legislative mandates of licensing, enforcement, school oversight, and administration and funding of the TRF.

Comment #8:

A comment was received via email on June 29, 2018, from Kim Kuziora, CSR, of Kuziora Deposition Reporters. Licensee Kuziora questioned: “Will any of the 80% increase that the CRB is asking for in the court reporter’s license renewal be sued for

and cover the 'financial magnitude' of enforcing the existing laws to file injunctions against non-licensed, unauthorized entities that are doing business in CA illegally?" Licensee Kuziora stated: "The CRB confirmed at the March 2016 Sunset Review Hearing that they are aware of the non-licensed activity related to corporate entities offering court reporting services in California without authorization" and noted the CRB gave examples of the complaints. Licensee Kuziora stated: "I am concerned that funding from the license fee increase will not be used by the CR Board, in conjunction with the Attorney General's office, to enforce current shorthand reporting Business & Profession Code and Corporation Code laws over non-licensed, unauthorized individuals and entities." Additionally, Licensee Kuziora stated: "If monies from the license fee increase are needed to ensure future fiscal solvency for the CR Board, and these monies are not used to get non-licensed, unauthorized entities out of California, very soon there will be no need for a CR Board in California as these illegal entities are succeeding in replacing licensed court reporter agencies, and they are rapidly trying to replace licensed court reporters with video, audio and digital recording."

#### Response to Comment #8:

The Board rejects this comment. The Board does not agree with Licensee Kuziora's characterization of its testimony at the 2016 Sunset Review hearing. However, the Board has been working with the Attorney General's Office since 2009 and sponsored legislation (AB 2084, Chaptered September 21, 2018) to ensure all entities offering court reporting services in California are following the laws specific to court reporting. The Board rejects the premise that the cost of pursuit of an injunction would be the only permitted use of the fees generated through the proposed increases, especially in light of the Board's statutory mandate to fund the TRF through licensing renewal fees. All revenue is applied to the Board's operating expenses, including enforcement.

#### Comment #9:

A comment was received via email on July 2, 2018, from Noelle Ottoboni of Noelle Ottoboni & Associates. Licensee Ottoboni stated: "I do not have a problem with the fee increase, but I would like to believe that the additional fees will be put to use to protect the public from the unlicensed companies who are currently doing work in California and not adhering to the same standards as licensed reporters who are paying these fees. The public is NOT being protected from these companies and the Court Reporter's Board needs to implement rules and regulations to protect the public's information; especially in regards to selling copies, relieving reporters of their duties, and the giveaways to attain business that the licensed reporter is prohibited from doing. Please ensure these fees will be used to protect the public and the license reporter."

#### Response to Comment #9:

The Board partially accepts this comment and partially rejects the comment. The recommendation is accepted in the sense that the fee increase will allow the Board to continue its current enforcement efforts which include ensuring all entities offering court reporting services in California are following the laws specific to court reporting. The Board would clarify that its mission is consumer protection, not protection of the licensed reporter.

Comment #10:

A comment was received via email July 2, 2018, from Coleen G. Rogers. Ms. Rogers asked: "Is the CRBC aware of what is happening in the court reporting industry? Video, audio, and digital recording are quickly being introduced by nonlicensed, unauthorize entities providing court reporting services illegally in California." Ms. Rogers repeats a paragraph from Licensee Kuziora's email regarding the Board's testimony at the 2016 Sunset Review hearing. Ms. Rogers stated: "I would support an increase for the annual renewal of a court reporter's certificate/license if the CRBC will use some of those increased revenues to do the following: Work with the Attorney General's Office to enforce the B & P and Corporation Code laws by getting injunctions against the nonlicensed, unauthorized entities providing court reporting services illegally in California to protect the consumer, the CRBC's 'highest priority.' FIRM REGISTRATION WILL NOT FIX THIS PROBLEM, only hide that the CRBS has ignored this paramount issue for over 20-plus years. \*Protect the California consumers' health, safety, and welfare of ensuring only actively licensed court reporters are providing court reporting services in California and NOT nonlicensed, unauthorized entities that are currently, and have been for over 20 years, providing court reporting services in California illegally."

Additionally, Ms. Rogers stated: So although his increase in fees might seem minimal in the eyes of the CRBC and although the CRBC might think this increase in fees isn't going to affect small businesses, it is just one more expenditure that we, as court reporters and license-owned, legally operating court reporting firms, have to pay for when license-owned, legally operating firms are barely keeping their doors open, and court reporters can't find work with licensed-owned, legally operating firms and won't work for nonlicensed, authorized [sic] entities doing business in California illegally because of unfair pay, unethical practices, and fear of being disciplined and fined by the CRBC."

Response to Comment #10:

This comment is rejected. The Board does not agree with Ms. Rogers' characterization of its testimony at the 2016 Sunset Review hearing. However, the Board has been working with the Attorney General's Office since 2009 and sponsored legislation (AB 2084, Chaptered September 21, 2018) to ensure all entities offering court reporting services in California are following the laws specific to court reporting. The Board rejects the premise that the cost of pursuit of an injunction would be the only permitted use of the fees generated through the proposed increases.

The Board acknowledges that licensees who work directly with their own clients without an agency will experience an increased cost of business as their license fee will increase.

Comment #11:

A comment was received via email on July 1, 2018 from Diego Cartagena, vice president of legal programs for Bet Tzedek Legal Services. Mr. Cartagena stated: "Bet

Tzedek Legal Services fully supports the proposed modest increases to the licensing fees for California's Court Reporters. Funding of the Transcript Reimbursement Fund, which is only possible if fees are increased, is crucial to ensuring that low-income litigants receive equal access to justice." Mr. Cartagena gave background regarding Bet Tzedek, stating: "...Bet Tzedek provides free legal assistance to eligible low-income residents of Los Angeles County, regardless of their racial, religious, or ethnic background." Mr. Cartagena goes on to state the importance of the Transcript Reimbursement Fund in obtaining transcripts necessary for the judicial process. Mr. Cartagena additionally stated: "The lack of the TRF, therefore, means many of the vulnerable community members Bet Tzedek serves, including immigrants, older Californians, and people with disabilities, will receive less assistance and will suffer if this important resource vanishes."

Response to Comment #11:

The Board accepts the comment.