



State of California Court Reporters Board of California



2015-16 Sunset Review Report

Prepared for
California Legislature
Senate Committee on Business, Professions and Economic Development
Assembly Committee on Business and Professions

COURT REPORTERS BOARD

OF CALIFORNIA

Board Members

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Davina Hurt, Public Member

Vice Chair

Rosalie Kramm, CSR

Members

Elizabeth Lasensky, Public Member

John K. Liu, Public Member

Toni O'Neill, CSR

Executive Officer

Yvonne K. Fenner

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COURT REPORTERS BOARD

EXECUTIVE SUMMARY

As of November 10, 2015

Since 1951, the Court Reporters Board of California (Board) has been overseeing the practice of court reporting, largely through licensing and enforcement. Today, there are approximately 6,800 licensed court reporters in California of which approximately 5,800 work independently or for court reporting agencies, and approximately 750 to 1,000 work as employees of the state court system.

The Board also has oversight for schools of court reporting. The Board “recognizes” schools rather than licensing them. Only court reporting schools recognized by the Board can certify students to qualify for the license examination. There are 13 schools of court reporting recognized by the Board. Seven of the schools are public schools, and six are private schools.

Additionally, the Board administers the Transcript Reimbursement Fund (TRF), established in 1981 to aid qualified indigent litigants in civil cases by providing transcript reimbursement funds. To date, the TRF has disbursed over \$8.5 million to California’s indigent population. In 2010, SB 1181 (Cedillo) authorized a two-year pilot project, expanding the TRF to qualified pro per litigants, and the pilot project became a permanent part of the fund in 2013. There is great demand for this portion of the fund, which expands access to justice to those most in need.

The five-member Board is comprised of two certified shorthand reporters, more commonly known as court reporters, and three public members. The Board is charged with carrying out the duties given to it under Business and Professions Code sections 8007 and 8008. Its legal mandate is to protect consumers by ensuring court reporters possess a minimum level of competency and by disciplining licensees who do not meet their legal obligations.

Examination

License examinations are conducted three times per year. The three-part exam consists of two written computer-based portions and one practical portion. The first written portion is English, testing a candidate’s knowledge of grammar, punctuation, and vocabulary. The second written portion is professional practice, testing a candidate’s knowledge of statutes and regulations governing the practice of court reporting, as well as legal and medical terminology. The practical portion of the exam is a demonstration of dictation and transcription skills, which requires the candidate to report and transcribe a ten-minute simulated judicial proceeding read by four readers at 200 words per minute. Candidates have three hours to prepare a transcript with a minimum of 97.5 percent accuracy.

Prior to licensing, court reporters typically complete a recognized program of instruction that includes a minimum of 240 hours of English, 270 hours of medical and legal terminology, court and deposition procedures and ethics, 25 hours of transcript preparation and 60 hours of apprenticeship training.

Licensing

The initial license fee is \$125 or half that amount, prorated according to the last day of the birth month of the applicant. Thereafter, the annual renewal fee on the licensee's birth month is \$125.

Budget

The Board's annual operating budget four years ago was approximately \$787,000. As a result of the budget augmentation process over the past four years, the budget has grown to \$978,000. Of that, each year by statute, \$300,000 is assigned to the Transcript Reimbursement Fund, a fund designated to reimburse transcript costs incurred by the profession when representing indigent clients. 91% of the revenue is from licensing fees, with the remainder from examination fees and payments from fines. There is no revenue from the General Fund.

The greatest expenditure for the Board is its enforcement program, which on average represents 38% of expenditures. The second highest expenditure is the examination at 30% of expenditures.

Complaints

Over the past four years, the Board has received, on average, 125 complaints per year against licensees. The most common complaints involve untimely delivery of transcripts and questions concerning the accuracy of the transcript. An additional 10 to 15 percent are resolved by staff informally mediating the complaint with the complainant and the licensee so that it doesn't reach the formal complaint stage. The Board also takes a proactive stance on preventing complaints by answering many questions from licensees and attorneys by phone and e-mail.

Significant Accomplishments

Despite budgetary challenges, the Board is pleased to report a number of significant accomplishments since the last Sunset Review. These include the development of language to define the scope of practice of court reporting. In 2014, the Board approved the Scope of Practice regulations which successfully underwent the regulatory process and went into effect on October 1, 2014.

Additionally, the Board conducted a comprehensive review to its Disciplinary Guidelines, which were created to foster uniformity of penalties and to ensure that licensees understand the consequences of violating laws or regulations pertaining to court reporting. The updated guidelines will be of use to everyone involved in and affected by the disciplinary process, namely the general public, attorneys, courts, administrative law judges, licensees, Board staff and Board members, who review and vote on proposed decisions and stipulations.

Through multiple task force groups in 2014 and 2015, the Board approved two Best Practice documents and eight Best Practice Pointers. These documents are not regulations or statutorily mandated, but are a way for the Board to provide guidance on situations not expressly set out in statute or regulation. Although the pointers may be used by licensees as a guide, the Board will not use them as a basis for discipline or enforcement of any type. The Best Practice documents save valuable staff time when fielding phone calls from licensees and consumers.

The Future – Opportunities from Prior Review

The Board continues to grapple with enforcement issues associated with non-CSR-owned corporations asserting lack of Board jurisdiction over corporate actions associated with court reporting. The Board has attempted both legislative and judicial solutions and is exploring the most effective response to the issue.

Continuing education has been an issue as far back as in the 1996 Sunset Review Report. In 2008, the Board sponsored a mandatory continuing education bill, AB 2189 (Karnette), which ultimately was vetoed by the Governor. In 2011, SB 671 (Price), a similar mandatory continuing education bill, made it to the Governor's desk for signature. In 2015, the California Court Reporters Association sponsored AB 804 (Hernandez), a bill that would have required mandatory continuing education for licensure. Ultimately, all three bills were returned to the Legislature without the governor's signature. The Board remains committed to this consumer protection aim and will work with the Administration to address its concerns.

Since the last Sunset Review in 2011, the demand for the pro per portion of the TRF has outgrown the allocated funds. In looking at maximizing the fund's potential, the Legislature may look at a proposal that would allow unused allocation from the pro bono program to be transferred over to the pro per program if the full allocation is not utilized by the end of the fiscal year.

The Board will explore the impact of a predicted shortage of court reporters and the impact that will have on the citizens of California seeking to access the justice system. A shortage is being created as the next wave of Baby Boomers retires and the huge growth in captioning reduces the number of practitioners available for judicial reporting.

The Board is looking forward to sharing this report with the Committees and our stakeholders. Protection of the public continues to be the highest priority for the Court Reporters Board of California.

COURT REPORTERS BOARD

BACKGROUND INFORMATION AND OVERVIEW

OF THE CURRENT REGULATORY PROGRAM

As of November 10, 2015

Section 1 – Background and Description of the Board and Regulated Profession

Brief History of the Court Reporters Board

Established in 1951 by the Legislature to protect consumers from incompetent practitioners, the Certified Shorthand Reporters Board, now known as the Court Reporters Board of California (Board), tests, licenses, regulates, investigates and disciplines members of the court reporting profession.

Court reporters are highly-trained professionals who stenographically preserve the words spoken in a wide variety of official legal settings such as court hearings, trials, and other pretrial litigation-related proceedings, namely depositions.

Court reporters work either in courtrooms as official reporters or in the private sector as freelance reporters who provide deposition services. These court reporters are officers of the court, and their competence, impartiality and professionalism must be beyond question. A complete and accurate transcript of the proceedings made by an impartial third party is the cornerstone for all appeal rights. It is relied upon by the consumer as an accurate source of information, which includes testimony given under oath.

Particular to criminal cases, courts of appeal rely exclusively upon written briefs and written transcripts of court proceedings to determine whether there were errors in the trial's procedure or errors in the judge's interpretation of the law. A conviction – and thus an accused's freedom or, in some instances, an accused's life – can stand or fall based entirely upon what was said by a witness, a lawyer, a juror or a judge solely reflected in the written transcript.

In civil cases, millions of dollars, lifelong careers and the fate of business enterprises can hinge on what was said or what was not said in a deposition or at trial.

Additionally, the testimony in civil and criminal cases is often filled with technical terminology. A medical malpractice case, in which specialist experts on both sides commonly contradict one another, can involve complex technical medical terminology; criminal cases can involve scientific language related to DNA identification; anti-trust cases can involve expert testimony related to complex economic analyses, and so on. No matter how obscure or technical, such jargon must be verbatim in the written transcript, and court reporters ensure its accuracy.

Not only are there complex skills involved in the actual reporting of legal proceedings, but the practice of court reporting is dictated by statutes and regulations. In the private sector, freelance court reporters are faced with numerous and increasingly complex ethical issues as these licensees seek to maintain their strict neutrality while working in private settings which frequently involve contentious, high-stakes litigation.

Until the 1960s, the Board allowed only licensed court reporters, known as certified shorthand reporters (CSRs), to own and operate companies offering court reporting services. The practice ceased, and in 1972, the Board began registering shorthand-reporting corporations. That process was rescinded by Assembly Bill 2743 (Chapter 1289, Statutes of 1992) when the Board decided that the registration duplicated the filing required by the Secretary of State's Office. (See Corporations Code section 13401(b) exempting "professional corporations" regulated by the Board from having to register.) Additionally, Corporations Code section 13410(a) requires "professional corporations" (those that provide services for which a license is required) to be "subject to the applicable rules and regulations adopted by, and all the disciplinary provisions of the Business and Professions Code expressly governing the practice of the profession in this state, and to the powers of, the governmental agency regulating the profession in which such corporation is engaged[.]"

Also in 1972, the Board's authority was expanded to give the Board the responsibility to recognize court reporting schools and to set minimum curriculum standards for court reporting programs. Additional authorization to cite and fine schools was passed by the Legislature in 2002. (B&P Code 8027.5)

In the past, the rates that freelance reporters (those not employed by courts) could charge were set by statute. In a 1981 compromise package with the profession, the Legislature eliminated the regulation of rates and created the Transcript Reimbursement Fund (TRF), a special fund fully funded by a portion of the court reporters' licensing fees to ensure that the deregulation of rates did not result in harm to indigent litigants who otherwise could not afford the services of freelance court reporters. The TRF would allow indigent litigants in civil cases access to reporter transcripts by reimbursing reporters for transcripts through the Transcript Reimbursement Fund. Under the TRF program, the Board has paid more than \$8.5 million to licensed reporters. By law, the TRF must begin each fiscal year on July 1 with a minimum balance of \$300,000 as long as the Board maintains a minimum of six months' operating expenses.

Prior to January 1, 1983, state courts had been allowed to use noncertified reporters if they could demonstrate that a certified reporter was not available. Seeing the folly of this practice and serious consumer protection implications, in 1983 B&P Code section 8016 was enacted to require all court reporters working in state court to be licensed. Court reporters hired prior to 1983 can still maintain an exemption to the licensing requirement.

Description and Responsibilities

The Board regulates the court reporting profession through testing, licensing and disciplining court reporters, who use the title designation Certified Shorthand Reporter (CSR). By statute, the use of the acronym CSR is restricted to those individuals who have a Board-issued license. In California, a person must be licensed to work as a court reporter in state courts (official reporter) or to act as a deposition officer (freelance reporter). Freelance reporters provide services as individual contractors or through court reporting firms. Codes governing deposition/freelance reporters can be found in the Code of Civil Procedure 2025, et al. As of August 2, 2015, there were 8,088 licensed CSRs in California, of which 6,848 licensees are active and in good standing.

The Board also has oversight for schools offering court reporting education. Although the Board "recognizes" schools, there is no statutory authority for licensure of the schools. However, only court reporting schools recognized by the Board can certify students to qualify to sit for the CSR license examination. There are 14 schools of court reporting recognized by the Board – seven public schools and seven private schools (Attachment A). The Board can discipline schools up to

and including removing recognition. The Board can also issue citations and can issue fines to schools not in compliance with Board rules.

1. Describe the make-up and functions of each of the Board’s committees.

To conserve resources and funds, the Board currently has no active standing committees, but rather appoints task forces to work on specific issues as they arise. Specific examples of such task forces include Exhibit Handling in 2014, Interpreted Depositions in 2014 and Best Practice Pointers in 2015.

Historically, the Board has had a standing Technology Committee to enable the Board to keep abreast of changes within the industry in response to constant advances in technology related to court reporting. However, as this is not deemed a mission-critical component of the Board’s oversight, it is not active. The Technology Committee last met in 2007. Staff has absorbed the responsibility of keeping the Board abreast of technological changes for proper review.

Another historical standing committee is the Legislation Committee, which last met in 2008. The Legislation Committee was tasked with review of legislation affecting court reporting or recommending changes to existing statutes for the Board to pursue. This committee has also been inactive as it was not deemed a mission-critical component of the Board’s oversight. Staff is monitoring relevant legislation and partnering with court reporting stakeholders in the exchange of information.

Two other historical standing committees that have been inactivated are Education Committee and Community Outreach Committee. In the absence of these committees, staff has conducted seminars as time and budget allow.

An organizational chart does not exist showing the relationship of committees to the Board and the membership of each committee because it doesn’t apply to the Board’s current structure. Table 1a. shows Board member participation in the various task forces.

The Board itself is comprised of five members, two of whom are licensed CSRs and three of whom are public members. The Governor appoints the two licensees and one of the public members. These three appointments require Senate confirmation. Of the two remaining public members, one is appointed by the Speaker of the Assembly, and the second is appointed by the Senate Rules Committee. All serve four-year terms. The members appointed by the Governor may serve up to a 60-day grace period at the end of their term. The members appointed by the Speaker of the Assembly and the Senate Rules Committee have up to a one-year grace period at the end of their term. There is a maximum of two consecutive terms for appointments. There are currently no vacancies.

Table 1a. Attendance Gregory M. Finch		Date Appointed: 5/25/2006 & 7/24/2008	
Meeting Type	Meeting Date	Meeting Location	Attended?
Board Meeting	10/27/2011	Sacramento	Yes
Board Meeting	4/27/2012	Sacramento	Yes
Board Meeting	10/12/2012	Sacramento	Yes

Table 1a. Attendance Lori Gualco		Date Appointed: 9/24/2007	
Meeting Type	Meeting Date	Meeting Location	Attended?
Board Meeting	10/27/2011	Sacramento	Yes
Board Meeting	4/27/2012	Sacramento	No

Table 1a. Attendance K. Reagan Evans		Date Appointed: 4/22/2010	
Meeting Type	Meeting Date	Meeting Location	Attended?
Board Meeting	10/27/2011	Sacramento	Yes
Board Meeting	4/27/2012	Sacramento	Yes
Board Meeting	10/12/2012	Sacramento	Yes
Board Meeting	3/29/2013	Los Angeles	Yes

Table 1a. Attendance Elizabeth Lasensky		Date Appointed: 10/15/2007 & 6/6/2011	
Meeting Type	Meeting Date	Meeting Location	Attended?
Board Meeting	10/27/2011	Sacramento	Yes
Board Meeting	4/27/2012	Sacramento	Yes
Board Meeting	10/12/2012	Sacramento	Yes
Board Meeting	3/29/2013	Los Angeles	Yes
Board Meeting	11/19/2013	Sacramento	Yes
Board Meeting	3/14/2014	Los Angeles	Yes
Strategic Planning	12/4/2014	Sacramento	Yes
Board Meeting	12/5/2014	Sacramento	Yes
Board Meeting	2/6/2015	Sacramento	Yes
Board Meeting	6/26/2015	Sacramento	Yes

Table 1a. Attendance Toni O'Neill		Date Appointed: 8/7/2010, 8/4/2011 & 7/3/2013	
Meeting Type	Meeting Date	Meeting Location	Attended?
Board Meeting	10/27/2011	Sacramento	Yes
Board Meeting	4/27/2012	Sacramento	Yes
Board Meeting	10/12/2012	Sacramento	Yes
Board Meeting	3/29/2013	Los Angeles	Yes
Board Meeting	11/19/2013	Sacramento	Yes
Board Meeting	3/14/2014	Los Angeles	Yes
Strategic Planning	12/4/2014	Sacramento	Yes
Board Meeting	12/5/2014	Sacramento	Yes
Board Meeting	2/6/2015	Sacramento	Yes
Board Meeting	6/26/2015	Sacramento	Yes
Sunset Review Task Force	8/21/2015	San Francisco	Yes

Table 1a. Attendance Davina Hurt		Date Appointed: 2/26/2013 & 7/9/2015	
Meeting Type	Meeting Date	Meeting Location	Attended?
Board Meeting	3/29/2013	Los Angeles	Yes
Board Meeting	11/19/2013	Sacramento	Yes
Board Meeting	3/14/2014	Los Angeles	Yes
Strategic Planning	12/4/2014	Sacramento	Yes
Board Meeting	12/5/2014	Sacramento	Yes
Board Meeting	2/6/2015	Sacramento	Yes
Best Practice Pointers Task Force	4/11/2015	Sacramento	Yes
Board Meeting	6/26/2015	Sacramento	Yes
Best Practice Pointers Task Force	7/25/2015	Sacramento	Yes
Sunset Review Task Force	8/21/2015	San Francisco	Yes

Table 1a. Attendance Rosalie Kramm		Date Appointed: 7/3/2013	
Meeting Type	Meeting Date	Meeting Location	Attended?
Board Meeting	11/19/2013	Sacramento	Yes
Board Meeting	3/14/2014	Los Angeles	Yes
Exhibit Handling Task Force	8/25/2014	San Diego & Sacramento	Yes
Interpreted Depositions Task Force	8/25/2014	San Diego & Sacramento	Yes
Strategic Planning	12/4/2014	Sacramento	Yes
Board Meeting	12/5/2014	Sacramento	Yes
Board Meeting	2/6/2015	Sacramento	Yes
Board Meeting	6/26/2015	Sacramento	No

Table 1a. Attendance John K. Liu		Date Appointed: 10/25/2013	
Meeting Type	Meeting Date	Meeting Location	Attended?
Board Meeting	11/19/2013	Sacramento	No
Board Meeting	3/14/2014	Los Angeles	Yes
Strategic Planning	12/4/2014	Sacramento	Yes
Board Meeting	12/5/2014	Sacramento	Yes
Board Meeting	2/6/2015	Sacramento	Yes
Board Meeting	6/26/2015	Sacramento	Yes

Table 1b. Board/Committee Member Roster					
Member Name	Date First Appointed	Date Re-appointed	Date Term Expires	Appointing Authority	Type (public or professional)
Gregory M. Finch	5/25/2006	7/24/2008	6/1/2012	Governor	Public
Lori Gualco	9/24/2007	N/A	6/1/2011	Speaker of the Assembly	Public
Elizabeth Lasensky	10/15/2007	6/6/2011	6/1/2015	Senate Rules Committee	Public
K. Reagan Evans	4/22/2010	N/A	6/1/2013	Governor	Professional
Toni O'Neill	8/7/2010	8/4/2011 & 7/3/2013	6/1/2017	Governor	Professional
Davina Hurt	2/26/2013	7/9/2015	6/1/2019	Speaker of the Assembly	Public
Rosalie Kramm	7/3/2013	N/A	6/1/2017	Governor	Professional
John K. Liu	10/25/2013	N/A	6/1/2016	Governor	Public

2. In the past four years, was the Board unable to hold any meetings due to lack of quorum? If so, please describe. Why? When? How did it impact operations?

The Board has not had to cancel a meeting for lack of a quorum in the period since the last sunset review.

- 3. Describe any major changes to the Board since the last sunset review, including:**
- **Internal changes (i.e., reorganization, relocation, change in leadership, strategic planning)**
 - **All legislation sponsored by the Board and affecting the Board since the last sunset review.**
 - **All regulation changes approved by the Board the last sunset review. Include the status of each regulatory change approved by the Board.**

Since the last sunset review, three new Board members have been appointed: one professional member and two public members.

The Board has had the benefit of a two-year limited term staff services analyst to work with the Transcript Reimbursement Fund's Pro Per Program from October of 2013 through October of 2015. An organizational chart is included in Attachment B.

Strategic planning is conducted every three to four years. The current strategic plan for 2015-2018 was conducted in December of 2014 and is included with this report as Attachment C.

The board has adopted a professional oath for new licensees, which underlines the core ethical duties set out in statute and regulation to protect the consumer.

There have been a number of legislative changes affecting the Board since the last sunset review. In 2011, Government Code section 69950 was amended by the addition of section (c), adding an exception to the established statutory transcript fees. In 2013, California Code of Civil Procedure 2025.290 limited how long a deposition can last. Currently there are four bills in the current two-year legislative cycle of note to the Board. AB 749 (Bloom) would require court reporters in domestic violence cases and child custody proceedings. AB 804 (Hernandez) would require mandatory continuing education for renewal of a CSR license. AB 1197 (Bonilla), enacted September 28, 2015, requires a deposition notice to include a statement disclosing the existence of a contractual relationship, if any, between the deposition officer or entity providing the services of the deposition officer and the party noticing the deposition or a third party who is financing all or part of the action if known. SB 270 (Mendoza) would reinforce the Board's enforcement authority over firms that offer court reporting services.

On the regulatory front, an amendment to the Professional Standards of Practice, Title 16, Division 24, Article 8, section 2475 was approved in 2013. The most significant change to the regulation was a clarification that the \$100 limit pertaining to gift giving or the receipt thereof applies to an entity and is not solely limited to individuals within an entity. In 2014, the Board promulgated Scope of Practice regulations in section 2403. The creation of CCR 2403 was intended to ensure that the Board's licensing population is fully aware of their individual duties and responsibilities and similarly to ensure that unlicensed entities are fully aware when they are engaging in activities and/or rendering services which are considered shorthand reporting and thus require licensure. The Board is currently pursuing one technical correction to the Scope of Practice regulations.

4. Describe any major studies conducted by the Board.

The Board has convened three task forces since the last sunset review. The first one, Exhibit Handling, was tasked with developing best practices for exhibits at depositions. The final document is attached as Attachment D. The mission of the second task force was to develop best practices for interpreted depositions. The final document from that task force's work is attached as Attachment E. The third task force is the Best Practice Pointers Task Force, charged with developing best practices that can be disseminated to licensees via renewal statements, the Board's Web site and webinars. Because many court reporting companies are owned by non-licensees, CSRs in the field are looking to the Board for practical and ethical issues, for example, best practices. The final documents from that task force are attached as Attachment F.

5. List the status of all national associations to which the Board belongs.

The Board does not belong to any national associations.

Section 2 – Performance Measures and Customer Satisfaction Surveys

6. Provide each quarterly and annual performance measure report for the Board as published on the DCA Web site.

The annual performance measures for 2010-11 through the second quarter of 2014 (October through December) are included as Attachment G.

7. Provide results for each question in the Board’s customer satisfaction survey broken down by fiscal year. Discuss the results of the customer satisfaction surveys.

Enforcement staff includes a customer service satisfaction survey postcard with all letters closing complaints. No postcards were returned, which is actually statistically consistent for the low number of complaints that the Board has received.

A link to the customer satisfaction survey is located on the Board’s Web site, at the bottom of the Contact Us tab. In fiscal year 2011-12, the Board received 10 customer satisfaction surveys. In fiscal year 2012-13, the Board received 17. In fiscal year 2013-14, the Board received eight. In fiscal year 2014-15, the Board received 15. The results are listed below.

In analyzing the surveys, the Board expected responses from those persons who were dissatisfied with the Board’s inability to assist with their particular problem. However, the data shows that the Board is generally able to satisfactorily solve the consumer’s issues.

Customer Satisfaction Survey Results Fiscal Years 2011-12 through 2014-15

1.	Thinking about your most recent contact with us, how would you rate the availability of staff to assist you?					
	Excellent	Very Good	Good	Fair	Poor	N/A
FY 11/12	8	0	0	0	2	0
FY 12/13	7	2	0	1	6	1
FY 13/14	5	0	0	1	2	0
FY 14/15	10	0	0	0	4	1

2.	When requesting information or documents, how would you rate the timeliness with which the information or documents was/were provided?					
	Excellent	Very Good	Good	Fair	Poor	N/A
FY 11/12	8	0	0	0	2	1
FY 12/13	8	2	0	3	3	1
FY 13/14	3	1	1	0	3	0
FY 14/15	8	1	0	0	4	2

3.	When you visited our web site, how would you rate the ease of locating information?					
	Excellent	Very Good	Good	Fair	Poor	N/A
FY 11/12	0	5	2	1	1	1
FY 12/13	6	2	1	0	5	1
FY 13/14	2	2	0	2	1	1
FY 14/15	8	1	1	1	1	3

4.	When you submitted an application, how would you rate the timeliness with which your application was processed?					
	Excellent	Very Good	Good	Fair	Poor	N/A
FY 11/12	3	0	0	0	1	6
FY 12/13	1	1	0	1	4	10
FY 13/14	0	1	0	2	1	4
FY 14/15	1	1	0	1	2	10

5.	When you filed a complaint, how would you rate the timeliness of the complaint process?					
	Excellent	Very Good	Good	Fair	Poor	N/A
FY 11/12	1	0	0	0	2	7
FY 12/13	0	0	0	0	4	13
FY 13/14	0	1	0	2	0	5
FY 14/15	0	0	0	1	2	12

6.	When you contacted us were your service needs met? If not, please explain.				
	Yes	No	Explanation		
FY 11/12	7	3	"The Board has in its possession a fraudulent set/copy of stenographic notes and it does not wish to act on it."		
			"No corrective action was taken regarding the CSR's failure and resistance to doing her job, i.e.-providing a hearing transcript."		
			"I was a reporter for almost 30 years. Most of the attorneys I worked for are deceased. I want to take the test. My question related to how I could prove I was a reporter. The response I got was to read the criteria for taking the test. I obviously had already done that."		
			"In my limited experience with the CSR Board, each person I've ever talked with has been quickly available, quite helpful, and very professional. It's been a pleasure to communicate with each one."		
FY 12/13	11	6	"TRF APPLICATIONS accepted and funds not available"		
			"A direct answer to a simple question would be appreciated."		
			"My question was answered quickly."		
			"I was treated like a number. She said sorry, but I'm very busy. One girl just doesn't email me back. I am very disappointed."		
			"Very rude, would not help, continued to pass the buck. Absolute waste of taxpayer money."		
			"Horrible customer service. Does anyone in the office actually communicate with each other. Instead I get, 'That's not my job'"		
			"I was looking for guidance on an issue and [Enforcement Analyst] was able to direct me right to the Code that applied."		
			"Narrow in their scope of meeting the needs of court reporters."		
FY 13/14	4	4	"All questions and complaints were derailed and ignored. Doublespeak was used to answer complaints submitted. Example....Frost/Nixon...see the interview that David Frost had with Richard Nixon. There was a very good movie about this. It's a shame to this country that tactics like this are used to hide corruption."		
			"Unhelpful staff."		
			"Your organization is lazy and invites corruption. If someone is going down you protect them instead of being neutral and close cases before resolving them."		
			"You try to protect the court reporters like a union rep."		
FY 14/15	10	5	"I have repeatedly sent in change of address forms, and I am now being threatened with fines and fees. [Office Technician] has been one of the most difficult, if not impossible, individuals at the Board, since my license inception in 1991, to have any meaningful dialog."		

	“You are not transparent and not interested in Justice. Your actions are only to protect your organization and its reporters. When complaints exit your wheel the Consumers Affairs Office is against your positions and want cases re-opened.”
	“You need to get on top of things. Define what a rough draft is and stop the contracting! I am getting screwed by dishonest agencies, agencies calling in from out of state and lying to me and losing my job and any hope. You have done nothing! Nothing! If you do nothing, you need to make that clear to all of the court reporters in the State of California! You exist solely to sanction reporters, not to uphold the Constitution nor keep the record safe! Tell us all you do nothing but collect dues and sanction reporters.”
	“On 1/27/15 I requested the CA Court Reporter’s Board to investigate my complaint on 3 Court Reporter’s: [names redacted by the Board]. There has been no action taken by the CA Court Reporter’s Board.”
	“You are an evasive organization and need to be investigated by the FBI.”

7.	Please provide us with any additional comments/suggestions.
FY 11/12	“It is one thing to work hard, but quite another to work hard with wisdom.”
	“All CSR’s should have an email address listed.”
	“Perhaps the person answering my question could read my email first, then respond.”
	“My interactions were with [Licensing Analyst], who was courteous, helpful, efficient, and very pleasant to deal with. I could not have been more pleased. She went above and beyond to accommodate my needs.”
	“Sometimes I have had a bit of difficulty finding what I needed on the website, but that may be only because there is a lot of information on it. I did always find what I needed. Thank you all for the work you put into providing all that CSRs and others associated with them need.”
	“[Licensing Analyst] is awesome at getting things done and getting back to your phone calls/e-mails. It is much appreciated, and takes a lot of stress out of the already stressful process.”
FY 12/13	“Status of TRF funds availability not noted in website”
	“[Licensing Analyst] responded very promptly!”
	“THANK YOU FOR YOUR HELP & INFORMATION!”
	“[Executive Analyst] provided excellent customer service! She was very helpful and instructive in providing information regarding the licensure standards of court reporters as it compares to transcribers. It gave me insight in how to proceed with the development of a contract for ‘transcription services.’ She was personable, professional and thorough. She is a great asset for the Board. Respectfully, [Name redacted by Board] EEO Specialist”
	“Thank you for your quick response”
	“The response was 24 hours later, but that is OK. The response seemed robotic, lacking personal integrity, although providing information. I would not be comfortable asking this department for assistance again other than to have them begin some kind of investigative report.”
	“Maybe [Licensing Analyst] could use some help since she doesn’t seem to have time to help court reporters when they call, which, I would think, is her job.”
FY 13/14	“Look up God. God gave us accountability and guidelines to follow. I pray that it’s not too late for those that practice deceit. What will happen to you and others that steal children from innocent parents and continue to lie for Federal Funds?”
	“The renewal of my license this year was delayed because of information I submitted was faulty (address). Despite this complication, the CSR Board was polite, professional, and patient with my self-made problem. I truly appreciate the efficiency in processing my license.”

	"The Board members are consistently pleasant and helpful. We all appreciate your being there for us."
	"It is so reassuring to have the CSR Board so available to address our needs. Definitely so essential and invaluable!!! Thank you!"
	"Please use website and customer service staff to communicate about steps that are being taken to fix issues. All I got were excuses."
	"Provide an appeal process and contacts for problems with your staff"
	"This Board in not capable of understanding the problems and tries to cover everything up. It is not competent."
FY 14/15	"Why are wages for court reporters who work for courts so blatantly unfair? Weird how one court pays \$85k a year while another pays \$45k a year. Seems like something like this would not exist in California."
	"Shut it down and start over."
	"Do something!"
	"Please respond immediately. I can be reached at: [e-mail address redacted by Board] Thank you, [Name redacted by Board]"
	"Fire your staff"
	"The CSR Board is ALWAYS very prompt and so helpful. Thank you!"
	"I needed information right away, and I received my answer with the corresponding code section very quickly. Impressive – and thank you!"
	"Thank you, [Enforcement Analyst]. I never expected you to answer my question so quickly. Appreciate it."

Fiscal Issues

8. Describe the Board's current reserve level, spending, and if a statutory reserve level exists.

The Board is completely funded by examination and licensing fees collected from applicants and licensees. The Board receives no federal funding and no revenue from the State's General Fund. License renewal is the Board's largest source of revenue, accounting for approximately 92% of the operating fund. Another 4% comes from examination and licensing application fees. An additional 2% is comprised of payments of citations/fines and a final 2% from delinquent fees. Finally, there is a fraction of a percentage that comes from investment income. For budget year 2015-16, the fund condition projects 6.7 months in reserve. While there is no statutory mandatory reserve level for the Board, the Transcript Reimbursement Fund cannot be funded when the Board reaches six months of operating expenses in reserve.

9. Describe if/when a deficit is projected to occur and if/when fee increase or reduction is anticipated. Describe the fee changes (increases or decreases) anticipated by the Board.

The Board's license fee is currently at the statutory cap of \$125, which was established when the Board was created in 1951. The Board monitors expenditures and fund condition at every Board meeting, so the Board saw an upcoming need to increase revenue to continue adequate and timely funding of the TRF as well as enforcement efforts. The 1951 license fee rate is no longer viable in 2015. Recognizing that a legislative change can take some time, Board staff collaborated with the lobbyist from the Deposition Reporters Association to present language to the Office of the Legislative Counsel (OLC) before the January 30th deadline. At the February 6, 2015 meeting, the Board voted to secure an author for a bill that would increase the fee cap to \$250.

In its initial analysis, the OLC designated the bill as a tax bill based upon the reasoning that a portion of the license fee is used to fund the Transcript Reimbursement Fund, which benefits indigent litigants. This designation remained even after the Board via the DRA lobbyist explained that while the indigent litigant does indeed benefit from receiving free or low-cost transcripts, all of the money from the TRF is returned to court reporters in the form of transcript fees. Discussion regarding the tax designation continued with the OLC, but a week before the deadline to submit legislation, Legislative Counsel confirmed that the tax designation was a final decision. With such a short time frame and the added burden of the tax designation, the Board was unable to find an author.

The Board has noted that this designation appears to not be applied consistently among the boards and bureaus in the Department of Consumer Affairs. For instance, last year the Dental Board was successful in its pursuit of an increase in its license fees without the burden of the tax designation, despite the fact that a portion of the license fees are used for a diversion fund. Board staff and the DRA lobbyist have reached out to various entities for assistance with this issue. At a minimum a consultant from the Senate Business, Professions and Economic Development Committee has offered to help the Board resolve this issue.

Table 2. Fund Condition (dollars in thousands)						
	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17
Beginning Balance	1,365	1,346	1,331	1,133	789	622
Revenues and Transfers	752	742	674	635	934	933
Total Revenue	\$2,117	\$2,088	\$2,005	\$1,768	\$1,723	\$1,555
Budget Authority	782	774	890	968	1,099	1,112
Expenditures	772	713	868	978	1099	1,112
Transfers to TRF	250	250	300	300	\$0	\$0
Fund Balance	\$1,344	\$1,370	\$1,133	\$789	\$622	\$443
Months in Reserve	22.5	18.9	13.9	8.6	6.7	4.7

10. Describe the history of general fund loans. When were the loans made? When have payments been made to the Board? Has interest been paid? What is the remaining balance?

A loan of \$1.25 million from the Board to the State's General Fund occurred in fiscal year 2003-04. The loan was repaid in full in fiscal year 2006-07.

11. Describe the amounts and percentages of expenditures by program component. Use Table 3. Expenditures by Program Component to provide a breakdown of the expenditures by the Board in each program area. Expenditures by each component (except for pro rata) should be broken out by personnel expenditures and other expenditures.

A review of the data in Table 3 demonstrates how enforcement costs fluctuate greatly, depending upon the number and severity of the complaints received. A significant portion of the enforcement expenses is the Attorney General line item, which deals with the more serious matters which are more costly to resolve.

Examination expenses have gone up slightly due in large part to increased costs associated with the practical portion of the license examination. The licensing costs remain relatively stable.

Table 3. Expenditures by Program Component (list dollars in thousands)								
	FY 2011/12		FY 2012/13		FY 2013/14		FY 2014/15	
	Personnel Services	OE&E						
Enforcement	101,416	85,136	94,714	95,973	101,858	88,407	112,786	94,030
Examination	81,132	65,114	75,771	68,439	81,486	80,295	90,228	85,027
Licensing	81,132	28,264	75,771	22,292	81,486	23,834	90,228	25,184
Administration*	165,662	29,677	172,670	27,866	227,590	41,709	245,411	44,072
DCA Pro Rata	N/A	137,948	N/A	81,997	N/A	142,491	N/A	172,828
Diversion	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTALS	\$429,342	\$346,139	\$418,926	\$296,567	\$492,420	\$376,736	\$538,653	\$421,141

*Administration includes costs for TRF administration, executive staff, board, administrative support and fiscal services.

NOTE: Costs for executive officer have been allocated to enforcement, examination, licensing and administration.

Transcript Reimbursement Fund

There are two programs under the Transcript Reimbursement Fund (TRF) (B&P Code sections 8030.2. through 8030.8). The first program, known as the Pro Bono Program, was established by the Legislature in 1981 and is available to pro bono attorneys representing indigent litigants. The second program, known as the Pro Per Program, was an expansion of the TRF in 2011 to indigent pro per litigants. Both programs assist indigent litigants in civil matters; however, they differ in who may apply and how much monetary assistance is available to individual cases and all cases overall. The TRF is funded by annual license renewal fees. Essentially, the criteria to qualify for reimbursement are:

- The litigant must be indigent and must be represented by legal counsel.
- The applicant must be a qualified legal services project, qualified support center or other qualified project.
- The case cannot be fee-generating.
- The applicant must certify to refund the full amount of all reimbursements from the TRF from any award of court costs or attorney fees.
- The TRF provides reimbursement for costs as outlined in B&P Code 8030.6.

Transcript Reimbursement Fund (Pro Bono)				
	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15
No. of Requests for Reimbursement Received	393	331	343	397
No. of Requests Approved	374	301	330	357
No. of Requests Denied	19	30	13	40
Amount of Funds Disbursed	\$241,294.66	\$197,453.73	\$179,304.35	\$209,410.99
Amount of Funds Recovered by Judicial Award of Costs	\$66,649.51	\$36,043.25	\$7,165.45	\$39,932.47

The Pro Bono Program is operated on a fiscal year basis, while the Pro Per Program operates on a calendar year.

Transcript Reimbursement Fund (Pro Per Program)				
	2011	2012	2013	2014
No. of Requests for Reimbursement Received	232	294	126	113
No. of Requests Approved	130	134	133	145
No. of Requests Denied	29	70	35	45
Amount of Funds Allocations (Provisional Approval)	\$28,572	\$31,832	\$28,387	\$44,455
Amount of Funds Disbursed	\$19,272	\$22,765	\$21,191	\$27,429
Amount of Funds Recovered by Judicial Award of Costs	\$0	\$0	\$0	\$0

Limited funding for the Pro Per Program has rapidly become an issue in the administration of the program. The total amount of annual funding is \$30,000, which is quickly exhausted each year. As predicted in the last sunset review process, there are enough unpaid claims at the end of the year to appropriate the full \$30,000 at the beginning of the next year, creating an ever-growing backlog of applications.

12. Describe license renewal cycles and history of fee changes in the last 10 years. Give the fee authority (Business and Professions Code and California Code of Regulations citation) for each fee charged by the Board.

Licenses are renewed annually, due on the last day of the licensee’s birth month.

In 1981, the profession initiated legislation that created the Transcript Reimbursement Fund (TRF) to fund payment of court transcripts for indigent litigants in civil matters. By law, a minimum of \$300,000 of the Board's total revenue must go to the TRF each July 1. To create this fund, licensing fees were increased from \$40 every two years to \$125 the first year, and \$60 the second year. Subsequently, annual renewal fees were increased to \$80 and then to \$100, in effect since before 1997. Beginning July 1, 2010, the renewal fee increased to \$125, the statutory limit.

Table 4. Fee Schedule and Revenue (list revenue dollars in thousands)							
Fee	Current Fee Amount	Statutory Limit	FY 2011/12 Revenue	FY 2012/13 Revenue	FY 2013/14 Revenue	FY 2014/15 Revenue	% of Total Revenue
Change of Address	\$20.00	\$50		\$60	\$20		0.00%
Duplicate License/Certificate	\$5.00	\$10	\$15	\$40	\$15	\$5	0.00%
Duplicate Wall License	\$5.00						
Citation and Fine	Various		\$19,290	\$26,840	\$19,295	\$9,850	1.93%
Application for Examination – CSR	\$40.00	\$40	\$18,000	\$6,960	\$5,800	\$6,040	0.94%
English Exam Fee	\$25.00	\$75	\$3850	\$8,150	\$6,600	\$6,575	0.65%
Professional Practice Exam Fee	\$25.00	\$75	\$2,375	\$5,525	\$5,100	\$5,450	0.47%
Dictation Exam Fee	\$25.00	\$75	\$3,650	\$10,950	\$10,150	\$9,950	0.89%
Initial License Fee	\$125.00		\$10,062.50	\$11,000	\$12,250	\$9,625	1.10%
Initial License Fee ½	\$62.50		\$62.50		\$250	\$125	0.01%
Annual Renewal Fee	\$125	\$125	\$920,300	\$899,375	\$892,120	\$880,620	92.11%
Delinquent Renewal Fee	\$62.50		\$18,562.50	\$17,682.80	\$17,682.80	\$18,656.50	1.86%
Cost Recovery	Various						
Dishonored Check	\$25.00		\$275	\$375	\$275	\$400	0.03%
DOJ – Fingerprints	\$32.00						
FBI – Fingerprints	\$19.00						

13. Describe Budget Change Proposals (BCPs) submitted by the Board in the past four fiscal years.

The Board submitted one BCP for FY 2013-14 for a half-time staff services analyst position to assist with the workload from the TRF’s Pro Per Program. This BCP was granted for a two-year limited term.

For FY 2013-14, the Board submitted two BCPs, one to augment the line item for the Attorney General for enforcement and one for examination development.

Table 5. Budget Change Proposals (BCPs)

BCP ID #	Fiscal Year	Description of Purpose of BCP	Personnel Services				OE&E	
			# Staff Requested (include classification)	# Staff Approved (include classification)	\$ Requested	\$ Approved	\$ Requested	\$ Approved
1110-02L	2013-14	Enactment of SB 1236 will extend the Pro Per Pilot Project of the TRF.	Half time (0.5) 2-year Limited Term Staff Services Analyst	Half time (0.5) 2-year Limited Term Staff Services Analyst	\$34,000	\$34,000	\$10,000	\$10,000
1110-019	2015-16	Request for ongoing augmentation for projected Attorney General activities.					\$40,000	\$40,000
1110-020	2015-16	Request for ongoing augmentation to fund examination development workshops.					\$82,000	\$82,000

Staffing Issues

14. Describe any Board staffing issues/challenges, i.e., vacancy rates, efforts to reclassify positions, staff turnover, recruitment and retention efforts, succession planning.

As of January 1, 2013, the Pro Per Pilot Project became a permanent program within the TRF. As a result, a limited term half-time staff services analyst position was approved in order to process the increased applications. This staff person not only eliminated the backlog of applications, but has been successful in going back through earlier applications that remain open to see which applications no longer need appropriation. Through her efforts, the Board has been able to reallocate these funds to pending applications. This workload will have to be reabsorbed by the existing analyst who administers the Pro Bono Program of the TRF, which will likely lead to longer application processing times, possibly outside the statutory 30-day time frame.

15. Describe the Board’s staff development efforts and how much is spent annually on staff development (cf., Section 12, Attachment D).

While recognizing the importance of training and staff development, with such a small staff, having a single staff person out of the office has a significant impact on the rest of the office. All staff members are up-to-date on their mandatory training courses, including sexual harassment prevention, ethics and defensive driving. Additionally, the Board’s executive analyst completed training on the Bagley-Keene Open Meetings Act in November of 2014. The executive officer has one course left in order to complete the eight-day Leadership Academy offered by the Department of Consumer Affairs (DCA). All of the courses taken have been offered through the DCA at no cost.

As requested, included in Attachment B are year-end organizational charts for the last four fiscal years.

Section 4 – Licensing Program

16. What are the Board’s performance targets/expectations for its licensing program? Is the Board meeting those expectations? If not, what is the Board doing to improve performance?

The primary objective of licensing court reporters is to ensure that consumers receive accurate, timely, competent service from court reporters who, through examination, have demonstrated at least a minimum level of competency at the time of the examination. The Board expects license and examination applications to be processed promptly in order to facilitate the entry of as many competent court reporters into the workforce as quickly as possible. Similarly, license renewals are to be processed as promptly as possible since court reporters may not work while their license fee is unpaid. The Board continues to meet these expectations by processing all applications and renewals within two to five business days. License renewals are due on the last day of the licensee’s birth month, so staff is very mindful of the time-sensitive nature of payments coming in at the end of the month and works with licensees via phone and e-mail to verify receipt of renewals.

17. Describe any increase or decrease in the Board’s average time to process applications, administer exams and/or issue licenses. Have pending applications grown at a rate that exceeds completed applications? If so, what has been done by the Board to address them? What are the performance barriers and what improvement plans are in place? What has the Board done and what is the Board going to do to address any performance issues, i.e., process efficiencies, regulations, BCP, legislation?

There has been no increase or decrease in the average time required to process applications or issue licenses. The Board does not have pending applications because they are processed promptly, typically within two to five business days. The Board sees no performance issues with its licensing program.

18. How many licenses or registrations does the Board issue each year? How many renewals does the Board issue each year?

In fiscal year 2011-12, the Board issued 96 licenses; in FY 2012-13, 104; in FY 2013-14, 117; and in FY 2014-15, 96.

In fiscal year 2011-12, the Board had 7,164 renewals; in FY 2012-13, 7,043; in FY 2013-14, 6,941; and in FY 2014-15, 6,864.

This information can also be found in Table 7b.

Table 6. Licensee Population					
		FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15
CSR	Active*	7260	7145	7058	6960
	Out-of-State	667	670	662	650
	Out-of-Country	14	14	13	9
	Delinquent	1117	1198	1171	1150

*Total active includes Out-of-State/Country

Table 7a. Licensing Data by Type

	Application Type	Received	Approved	Closed	Issued	Pending Applications			Cycle Times		
						Total (Close of FY)	Outside Board control*	Within Board control*	Complete Apps	Incomplete Apps	Combined, IF unable to separate out
FY 2011/12	(Exam)	122	122	0	n/a	0	-	-	4	-	-
	(License)	96	96	0	96	0	-	-	-	-	-
	(Renewal)	7164	7164	n/a	7164	0	-	-	-	-	-
FY 2012/13	(Exam)	155	155	0	n/a	0			3		
	(License)	104	104	0	104	0					
	(Renewal)	7041	7041	n/a	7041	0					
FY 2013/14	(Exam)	131	131	0	n/a	0			3		
	(License)	119	117	2	117	0					
	(Renewal)	6941	6941	n/a	6941	0					

* Optional. List if tracked by the board.

Table 7b. Total Licensing Data

	FY 2012/13	FY 2013/14	FY 2014/15
Initial Licensing Data:			
Initial License/Initial Exam Applications Received	104	119	97
Initial License/Initial Exam Applications Approved	104	117	96
Initial License/Initial Exam Applications Closed	0	2	1
License Issued	104	117	96
Initial License/Initial Exam Pending Application Data:			
Pending Applications (total at close of FY)	0	0	1
Pending Applications (outside of board control)*			
Pending Applications (within the board control)*			
Initial License/Initial Exam Cycle Time Data (WEIGHTED AVERAGE):			
Average Days to Application Approval (All - Complete/Incomplete)	3	3	3
Average Days to Application Approval (incomplete applications)*			
Average Days to Application Approval (complete applications)*			
License Renewal Data:			
License Renewed	7041	6941	6864

* Optional. List if tracked by the board.

19. How does the Board verify information provided by the applicant?

The vast majority of applicants qualify to take the CSR examination by completing a training program through a recognized California court reporting school. If qualifying through a court reporting school program, the applicant must also have passed one speed examination known as a qualifier.

A person applying for the first time must complete an Application for Examination (Form 41A-1), which is included as Attachment H, and submit it to the Board, together with the required qualifying documents and the fee indicated on the face of the application. Persons applying for reexamination do not need to requalify, but must complete and submit an Application for Reexamination (Form 41A-4), which is included as Attachment I, together with the fee indicated on the face of the application. Each applicant is required to provide two passport-style photographs with the application. One photo is attached to the application, and one is attached to the Final Notice of Examination. For security reasons, applicants are required to show their Final Notice and an approved photo identification in order to be admitted into the examination.

A variety of basic information is required to be submitted by examination applicants as indicated on the application form, including the nature and length of any work experience that can be used to establish the minimum one year (1,400 hours) of qualifying work experience. Level and location of educational background is also requested, as is information regarding court reporting certificates from other organizations or states and any criminal convictions. Supporting documentation via copies of certificates is required, and work experience must be verified on the official letterhead of the employer. All qualifying documentation is checked via phone or electronically, i.e., through licensing agencies in other states.

a. What process does the Board use to check prior criminal history information, prior disciplinary actions, or other unlawful acts of the applicant?

The Board uses fingerprints to check the Department of Justice database for prior criminal history. If applicants are or have been licensed in another state, history of disciplinary actions is checked by contacting the licensing agency of that state.

b. Does the Board fingerprint all applicants?

As all applicants for licensure must pass the CSR examination, the Board has required fingerprints of all examination applicants since 1998.

c. Have all current licensees been fingerprinted? If not, explain.

Only those submitting applications for examination since 1998 have been fingerprinted. Anyone applying for the examination prior to 1998 has not been fingerprinted.

d. Is there a national databank relating to disciplinary actions? Does the Board check the national databank prior to issuing a license? Renewing a license?

There is no national databank for court reporters.

e. Does the Board require primary source documentation?

The Board does require primary source documentation. For example, letters of recommendation are not acceptable as attesting to an applicant's work experience unless they are on official letterhead. Otherwise, applicants must submit copies of actual job sheets to demonstrate experience.

20. Describe the Board's legal requirement and process for out-of-state and out-of-country applicants to obtain licensure.

There are no differences in the requirements for out-of-state and out-of-country applicants. All applicants must complete the same requirements in order to obtain licensure.

21. Describe the Board's process, if any, for considering military education, training, and experience for purposes of licensing or credentialing requirements, including college credit equivalency.

The Board considers work experience from the military as an acceptable form of work experience for the license application.

a. Does the Board identify or track applicants who are veterans? If not, when does the Board expect to be compliant with BPC § 114.5?

The Board does track applicants who are veterans.

b. How many applicants offered military education, training or experience towards meeting licensing or credentialing requirements, and how many applicants had such education, training or experience accepted by the Board?

The Board has had three applicants offer military education, training or experience on their license applications during the period since the last sunset review. All three were accepted.

c. What regulatory changes has the Board made to bring it into conformance with BPC § 35?

The Board has made no regulatory changes to conform with BPC section 35 because the Board already accepts military experience to qualify for licensure.

d. How many licensees has the Board waived fees or requirements for pursuant to BPC § 114.3, and what has the impact been on Board revenues?

The Board has waived fees for two licensees pursuant to BPC section 114.3, which has had no significant impact on Board revenues.

e. How many applications has the Board expedited pursuant to BPC § 115.5?

The skills or practical portion of the license examination cannot be expedited because of the nature of the examination itself. The two written portions of the license examination are available at any time, so there is no reason for expedition.

22. Does the Board send No Longer Interested notifications to DOJ on a regular and ongoing basis? Is this done electronically? Is there a backlog? If so, describe the extent and efforts to address the backlog.

The Board faxes No Longer Interested notification to DOJ on a regular and ongoing basis. There is no backlog.

Examinations

Table 8. Examination Data				
California Examination (include multiple language) if any:				
License Type		CSR	CSR	CSR
Exam Title		Dictation/Skills	English	Professional Practice
FY 2011/12	# of 1 st Time Candidates	125	119	114
	Pass %	40.8	47.1	57.0
	# of Overall Candidates	350	249	206
	Pass %	22.3	38.6	52.4
FY 2012/13	# of 1 st Time Candidates	105	125	126
	Pass %	58.1	66.4	78.6
	# of Overall Candidates	286	281	184
	Pass %	38.1	50.2	70.7
FY 2013/14	# of 1 st Time Candidates	131	123	119
	Pass %	55.0	72.4	85.7
	# of Overall Candidates	384	230	174
	Pass %	28.6	58.3	78.7
FY 2014/15	# of 1 st time Candidates	147	144	147
	Pass %	55.1	37.5	57.8
	# of Overall Candidates	396	256	206
	Pass %	33.3	27.3	49.5
Date of Last OA		2010		
Name of OA Developer		OPES		
Target OA Date		2017		
National Examination (include multiple language) if any: Not applicable				

23. Describe the examinations required for licensure. Is a national examination used? Is a California specific examination required?

California has one license category for court reporters, Certified Shorthand Reporter (CSR), and it is a required California-specific examination.

The primary objective of licensing court reporters is to ensure that consumers receive accurate, timely and competent service from court reporters who, through examination, have demonstrated a minimum level of competency.

All persons desiring to practice as a CSR in the state of California (Section 8017, Business and Professions Code) must possess a valid license issued by the Court Reporters Board. Licensure is attained by passing all parts of a three-part examination (CCR Title 16, section 2420): two written portions and one practical or skills portion. The first written portion is Professional Practice, a 100-item multiple choice examination which tests knowledge of medical and legal terminology, ethics and code requirements. The second written portion is English, which is another 100-item multiple choice examination which tests minimum competency in grammar, spelling and punctuation. Both written portions are administered via a computer-based testing vendor.

The practical examination (dictation/transcription portion) consists of a ten-minute exercise. Four readers sit in front of the examinees, replicating a courtroom or deposition situation, and dictate from an actual court or deposition proceeding. They read at an average speed of 200 words per minute while examinees report the dictation on a shorthand machine. The examinees then go to a separate room where they are given three hours to transcribe their notes. They are graded on the transcription submitted. Successful candidates must achieve 97.5% accuracy.

Applicants must qualify to sit for the examination through one of five methods:

- A. One year of experience (a minimum of 1,400 hours) in making verbatim records of depositions, arbitrations, hearings or judicial or related proceedings by means of written symbols or abbreviations in shorthand or machine shorthand writing and transcribing these records.
- B. A verified certificate of satisfactory completion of a prescribed course of study in a recognized court reporting school or a certificate from the school that evidences an equivalent proficiency and the ability to make a verbatim record of material dictated in accordance with regulations adopted by the Board contained in Title 16 of the California Code of Regulations.
- C. A certificate from the National Court Reporters Association demonstrating proficiency in machine shorthand reporting.
- D. A passing grade on the California state hearing reporter's examination.
- E. A valid certified shorthand reporter's certificate or license to practice shorthand reporting issued by a state other than California whose requirements and licensing examination are substantially the same as those in California.

Applicants have three years to pass all three parts of the examination before they are required to take the entire examination again. They may take or retake the failed portions up to three times per year. During the three-year period, they are required to take only the previously failed portions of the examination. The executive officer has the delegated authority to extend the three-year pass requirement for up to one additional year for good cause.

Examinees who have passed all parts of the examination are eligible for licensure. Actual licensure is attained by submitting the statutorily-required fee and the forms provided by the Board.

Traditionally, the license examination was offered twice a year. In 2002, the Board began offering the license examination three times each year in California. Approximately 120 applicants take the examination each time.

The two written portions of the examination are developed in conjunction with DCA's Office of Professional Examination Services (OPES). Development of the English and Professional Practice portions of the CSR examination begins with an occupational analysis to identify current job knowledge and skills necessary for entry-level court reporters. Upon validation of the occupational analysis, an examination plan is developed to not only identify knowledge and skills required, but also to weight them based on how important and/or how frequently the knowledge or skill is required.

Upon completion of the examination plan, four types of examination development workshops are held. Groups of subject matter experts (SMEs) made up of working court reporters, facilitated by OPES, write questions for the two written exams, each question being tied to the current examination plan. A subsequent group of SMEs reviews the questions, adding finished

questions to the test bank. A third group of SMEs constructs the actual examination by selecting questions from the bank, weighted in a manner reflective of the examination plan. Finally, a fourth group of SMEs sets the passing score for a particular examination in accordance with the California Code of Regulations, Title 16, Division 24, Article 3, section 2420, which outlines the Board regulation that requires the passing grades for the written examinations be determined by the Angoff criterion-referenced method.

The only nationally-based, entry-level court reporter competency examination is the Registered Professional Reporter (RPR) examination administered by the National Court Reporters Association (NCRA). Holders of the RPR certification may apply to take the California CSR examination, but there is no straight reciprocity as there are significant differences between the two examinations in the areas of examination development, construction and administration.

24. What are pass rates for first time vs. retakes in the past 4 fiscal years? (Refer to Table 8: Examination Data)

Given the critical importance of the role of a court reporter and the near-irrevocability of the mistakes, the examination is appropriately rigorous. Candidates taking the test for the first time have a higher pass rate than those who must retake the examination. Table 8 shows pass rates for each of the three examination sections for the first-time candidates as well as the overall pass rates. When the examination was converted to computer-based testing, the vendor was unable to track first-time candidates versus retakes, counting them all as first-timers; therefore, the actual first-time statistics are not available until the 2010-11 year, three years after the switch.

25. Is the Board using computer based testing? If so, for which tests? Describe how it works. Where is it available? How often are tests administered?

As of July 1, 2008, the Board has used computer-based testing for the two written portions of the license examination: English and Professional Practice. Once an applicant's qualifications are verified, staff forwards the candidate's information to the testing vendor, currently PSI, who in turn furnishes the candidate with all the information necessary to schedule and take the written portions of the examination. Results are returned to Board staff, who contacts the candidate with licensure or re-testing information. PSI has testing sites not only across California, but also across the United States.

Written exams are updated three times a year. Candidates may only take an examination once during the posting period, scheduled at their convenience.

26. Are there existing statutes that hinder the efficient and effective processing of applications and/or examinations? If so, please describe.

The Court Reporters Board is experiencing no issues affecting the processing of applications or administration of examinations.

School approvals

27. Describe legal requirements regarding school approval. Who approves your schools? What role does BPPE have in approving schools? How does the Board work with BPPE in the school approval process?

Business and Professions Code 8027 requires court reporting schools to be approved by the Board and the Bureau for Private Postsecondary and Vocational Education (BPPE is its current iteration), be it a California public school, or accredited by the Western Association of Schools and Colleges (WASC). Any school intending to offer a program in court reporting has to notify the Board within 30 days of the date on which it provides notice to or seeks approval from the California Department of Education, BPPE, the Chancellor's Office of the California Community Colleges or WASC. The Board then reviews the proposed curriculum and provides the school tentative approval or denial within 60 days. The school then applies for provisional recognition by the Board. Once granted, the school must operate continuously for no less than three years during which time the school must have at least one person successfully complete the course and pass the CSR examination. Upon completion of those provisions, the school may be granted full recognition.

28. How many schools are approved by the Board? How often are approved schools reviewed? Can the Board remove its approval of a school?

There are 14 schools offering court reporting programs in the state of California. The Board grants "recognition" in order for a court reporting school to operate. Schools are asked to send written materials to the Board annually as part of the ongoing review process. In years past, approximately four on-site compliance reviews are conducted per year, resulting in a visit to each school from the Board approximately once every four years. The on-site reviews allow Board staff to confirm the veracity of the written materials submitted annually by looking at the files maintained by the schools. Additionally, the Board can verify that records are being kept per statutory requirements. Spot-checks of the student and faculty records are conducted, as well as student interviews. No on-site visits have been conducted since the last sunset review period, due to budgetary constraints. However, the Board is actively recruiting a consultant to help with resuming the on-site reviews.

29. What are the Board's legal requirements regarding approval of international schools?

No international schools have applied for Board recognition.

Continuing Education/Competency Requirements

30. Describe the Board's continuing education/competency requirements, if any. Describe any changes made by the Board since the last review.

The Board does not currently have mandatory continuing education requirements for licensure; however, the Judicial Council requires continuing education for all its court employees, including court reporters.

- a. How does the Board verify CE or other competency requirements?**
- b. Does the Board conduct CE audits of licensees? Describe the Board's policy on CE audits.**
- c. What are consequences for failing a CE audit?**
- d. How many CE audits were conducted in the past four fiscal years? How many fails? What is the percentage of CE failure?**
- e. What is the Board's course approval policy?**
- f. Who approves CE providers? Who approves CE courses? If the Board approves them, what is the Board application review process?**
- g. How many applications for CE providers and CE courses were received? How many were approved?**
- h. Does the Board audit CE providers? If so, describe the Board's policy and process.**
- i. Describe the Board's effort, if any, to review its CE policy for purpose of moving toward performance based assessments of the licensee's continuing competence.**

(Questions a through i are not applicable.)

Section 5 – Enforcement Program

31. What are the Board's performance targets/expectations for its enforcement program? Is the Board meeting those expectations? If not, what is the Board doing to improve performance?

A review of the status quo of the enforcement division of the Board reveals a workload of approximately 100 complaints per year. The Board is staffed with one full-time enforcement analyst performing all enforcement activities. The majority of complaints requiring additional investigation involve a question of the accuracy of a transcript of legal proceedings or untimeliness of transcript delivery.

Additionally, the Board places a great deal of emphasis on prevention of complaints. Outreach to the licensees is ongoing through publication of a biannual newsletter as well as information on the Board's Web site. Staff gives infrequent seminars to licensees as well as to students. Enforcement staff responds to complaints and all inquiries (via telephone, fax, mail or e-mail) regarding the complaint process, license status and the laws and regulations relating to the practice of court reporting.

Whenever possible and appropriate, enforcement staff resolves cases through informal mediation. The Board has found that not only does this quicker resolution save time and money for both parties, but it allows the licensee to continue practicing while the issue is resolved. Most licensees are cooperative once the Board outlines the penalties for noncompliance.

The Board's performance measures are published on DCA's Web site, included as Attachment G. The Board has set a target of five days for intake, the average cycle time from complaint receipt to assignment to investigator. This target is being met. The Board has a target of 60 days for intake and investigation, the average cycle time from complaint receipt and completion of the investigation process. The Board is able to meet this target approximately 75% of the time, depending upon the number of complaints received in a particular quarter and staff availability. The Board has a target of 540 days for formal discipline, which is the average number of days for completion of the entire enforcement process for cases resulting in formal discipline. The Board has been able to meet this target approximately 50% of the time.

32. Explain trends in enforcement data and the Board's efforts to address any increase in volume, timeframes, ratio of closure to pending cases, or other challenges. What are the performance barriers? What improvement plans are in place? What has the Board done and what is the Board going to do to address these issues, i.e., process efficiencies, regulations, BCP, legislation?

The Board has seen the number of complaints remain relatively stable. However, the type of cases have been more complicated, thus increasing the average time to close as more in-depth investigation is necessary.

Table 9a. Enforcement Statistics			
	FY 2012/13	FY 2013/14	FY 2014/15
COMPLAINT			
Intake (Use CAS Report EM 10)			
Received	133	101	124
Closed	0	0	0
Referred to INV	133	101	124
Average Time to Close	1	1	1
Pending (close of FY)	0	0	0
Source of Complaint (Use CAS Report 091)			
Public	65	75	79
Licensee/Professional Groups	22	8	17
Governmental Agencies	46	18	28
Other	0	0	0
Conviction / Arrest (Use CAS Report EM 10)			
CONV Received	2	5	4
CONV Closed	1	5	5
Average Time to Close	27	147	158
CONV Pending (close of FY)	1	1	0
LICENSE DENIAL (Use CAS Reports EM 10 and 095)			
License Applications Denied	0	2	1
SOIs Filed	1	1	2
SOIs Withdrawn	0	0	0
SOIs Dismissed	0	0	0
SOIs Declined	0	0	0
Average Days SOI	168	38	123
ACCUSATION (Use CAS Report EM 10)			
Accusations Filed	6	10	7
Accusations Withdrawn	0	1	0
Accusations Dismissed	0	0	0
Accusations Declined	0	0	0
Average Days Accusations	404	401	405
Pending (close of FY)	7	3	0

Table 9b. Enforcement Statistics (continued)			
	FY 2012/13	FY 2013/14	FY 2014/15
DISCIPLINE			
Disciplinary Actions (Use CAS Report EM 10)			
Proposed/Default Decisions	3	7	3
Stipulations	3	6	5
Average Days to Complete	419	518	584
AG Cases Initiated	11	10	5
AG Cases Pending (close of FY)	13	9	5
Disciplinary Outcomes (Use CAS Report 096)			
Revocation	1	5	3
Voluntary Surrender	1	2	0
Suspension	0	0	0
Probation with Suspension	0	0	0
Probation	2	5	5
Probationary License Issued	0	0	0
Other	2	1	1

(continued on page 27)

Table 9b. Enforcement Statistics (continued)			
	FY 2012/13	FY 2013/14	FY 2014/15
PROBATION			
New Probationers	2	6	5
Probations Successfully Completed	1	1	5
Probationers (close of FY)	8	12	10
Petitions to Revoke Probation	2	1	1
Probations Revoked	1	2	1
Probations Modified	0	0	0
Probations Extended	0	0	0
Probationers Subject to Drug Testing	0	2	3
Drug Tests Ordered	0	2	25
Positive Drug Tests	0	0	1
Petition for Reinstatement Granted	0	0	0
DIVERSION			
New Participants	0	0	0
Successful Completions	0	0	0
Participants (close of FY)	0	0	0
Terminations	0	0	0
Terminations for Public Threat	0	0	0
Drug Tests Ordered	0	0	0
Positive Drug Tests	0	0	0

Table 9c. Enforcement Statistics (continued)			
	FY 2012/13	FY 2013/14	FY 2014/15
INVESTIGATION			
All Investigations (Use CAS Report EM 10)			
First Assigned	133	101	124
Closed	139	101	104
Average days to close	75	63	62
Pending (close of FY)	21	21	41
Desk Investigations (Use CAS Report EM 10)			
Closed	139	101	104
Average days to close	75	63	62
Pending (close of FY)	21	21	41
Non-Sworn Investigation (Use CAS Report EM 10)			
Closed	0	0	0
Average days to close	0	0	0
Pending (close of FY)	0	0	0
Sworn Investigation			
Closed (Use CAS Report EM 10)	0	0	0
Average days to close	0	0	0
Pending (close of FY)	0	0	0
COMPLIANCE ACTION (Use CAS Report 096)			
ISO & TRO Issued	0	0	0
PC 23 Orders Requested	0	0	0
Other Suspension Orders	0	0	0
Public Letter of Reprimand	0	0	0
Cease & Desist/Warning	0	0	0
Referred for Diversion	0	0	0
Compel Examination	0	0	0

(continued on page 28)

Table 9c. Enforcement Statistics (continued)			
	FY 2012/13	FY 2013/14	FY 2014/15
CITATION AND FINE (Use CAS Report EM 10 and 095)			
Citations Issued	30	16	13
Average Days to Complete	58	38	101
Amount of Fines Assessed	\$28,500	\$17,850	\$10,000
Reduced, Withdrawn, Dismissed	7	3	2
Amount Collected	\$26,925	\$17,910	\$9,850
CRIMINAL ACTION			
Referred for Criminal Prosecution	0	0	0

Table 10. Enforcement Aging						
	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	Cases Closed	Average %
Attorney General Cases (Average %)						
Closed Within:						
1 Year	1	3	5	2	11	33%
2 Years	4	3	5	5	17	52%
3 Years	0	0	3	2	5	15%
4 Years	0	0	0	0	0	0%
Over 4 Years	0	0	0	0	0	0%
Total Cases Closed	5	6	13	9	33	100%
Investigations (Average %)						
Closed Within:						
90 Days	83	98	75	83	339	73%
180 Days	24	29	22	18	93	20%
1 Year	12	10	2	3	27	6%
2 Years	2	2	2	0	6	1%
3 Years	0	0	0	0	0	0%
Over 3 Years	0	0	0	0	0	0%
Total Cases Closed	121	139	101	104	465	100%

33. What do overall statistics show as to increases or decreases in disciplinary action since last review?

There has been an increase in disciplinary action over the years since the Board was last reviewed; however, the actual number of cases remains small. The low number is attributed to two factors. First, court reporters work in the legal arena and are more aware of the law and the consequences for acting outside the law. Second, the license test is quite difficult, and most licensees are very careful to protect their license and keep it in good standing.

34. How are cases prioritized? What is the Board's complaint prioritization policy? Is it different from DCA's *Complaint Prioritization Guidelines for Health Care Agencies* (August 31, 2009)? If so, explain why.

The Board uses the complaint prioritization guidelines from DCA. Under this model, enforcement staff reviews complaints upon receipt to determine the best course of action based on the priority assigned. These guidelines are included as Attachment J.

35. Are there mandatory reporting requirements? For example, requiring local officials or organizations, or other professionals to report violations, or for civil courts to report to the Board actions taken against a licensee. Are there problems with the Board receiving the required reports? If so, what could be done to correct the problems?

The only mandatory reporting requirement is on the license renewal form on which licensees are required to self-report any convictions.

36. Does the Board operate with a statute of limitations? If so, please describe and provide citation. If so, how many cases have been lost due to statute of limitations? If not, what is the Board's policy on statute of limitations?

The Board does not have a statute of limitations with regard to enforcement. There are statutory requirements for court reporters to retain their stenographic notes. California Code of Civil Procedure 2025.510(e) requires notes of depositions be retained for eight years from the date of the deposition where no transcript is produced and one year from the date on which the transcript is produced. On the official side, California Government Code 69955(e) requires notes to be retained for ten years from the taking of the notes in a criminal proceeding and five years in all other proceedings, except capital felony cases in which case the notes are only destroyed upon court order. If there is a complaint about accuracy of the transcript and the notes have been disposed of in accordance with the statutory requirements, there is nothing for the Board to review. If the court or court reporter continues to retain the notes, however, the complaint is processed normally.

37. Describe the Board's efforts to address unlicensed activity and the underground economy.

From the Board's perspective, there are two aspects to unlicensed activity. In the first situation, there are court reporters who neglect to renew their licenses on time but continue to report, which is unlicensed activity from the standpoint that they are working without a current license. The Board issues citations and fines for this violation.

The second type of unlicensed activity relates to foreign corporations who are offering court reporting services in California without authorization. This has become an issue for the Board's enforcement activities. In 2010, the Board received a complaint that U.S. Legal, a Texas-based corporation, was violating CCR 22475(b)(8). After investigation, a citation and fine were issued. U.S. Legal responded via letter denying the Board's jurisdiction to issue it a citation. In April of 2011, the Board brought suit against U.S. Legal for declaratory relief. After a hearing, the Court ruled that although U.S. Legal was rendering court reporting services in California and was in violation of gift-giving regulations, there was no explicit authority in current statute authorizing the CRB to impose citations or fines against U.S. Legal because U.S. Legal was not authorized to do business in California.

California Corporations Code section 13401(c) sets out: "Foreign professional corporation' means a corporation organized under the laws of a state of the United States other than this state that is engaged in a profession of a type for which there is authorization in the Business and Professions Code for the performance of professional services by a foreign professional corporation." There is not authority within the Business and Professions Code for foreign corporations to render court reporting services in California.

As a result of the ruling in CRB v. U.S. Legal, the only remedy against violations by foreign corporations is to prevent the foreign corporations from operating in California since the foreign

corporations offering court reporting services in California are successfully refusing to acknowledge or simply ignoring the Board's jurisdiction in the enforcement arena.

As the Senate Business & Professions Committee observed in its sunset review analysis of the Board:

"The ultimate consumer of the transcript is the litigant, and their need to have transcripts that are lawful, honestly and accurately prepared is the same regardless of the corporate form of the entity that arranged for the proceeding.

"If an attorney hires a firm because of a large gift, a direct violation of Section 2475(a)(8), rather than competitive rates or quality of service, the consumer, the lawyer, and the litigant are the unknowing potential victims. Similarly, if there is a violation of Section 2473, the minimum transcript format standards, the litigant could end up paying hundreds or even thousands of dollars more for transcripts." *Senate Business, Professions & Economic Development Committee, Background Paper for the Court Reporters Board (2011-2012 Regular Session) March 12, 2012*

Additional complaints have been received about overcharging for court transcripts, a violation of Government Code 69950, which is direct consumer harm. Clearly the longer the trial, the greater the harm done.

The final area of concern is the complaints received regarding the practice of cost-shifting, which is akin to giving a large gift as talked about in CCR section 2475(a)(8). This is a practice whereby a court reporting firm offers to charge the noticing party literally only a penny if the noticing party chooses to utilize the services of that firm. The costs of the transcripts are then shifted over to the defending attorney(s), who has no ability to choose the court reporter and is essentially stuck with the bill presented in order to obtain a transcript. While the practice is not specifically illegal on the face, the Board is concerned about the serious ethical considerations that arise out of this type of scenario.

Cite and Fine

38. Discuss the extent to which the Board has used its cite and fine authority. Discuss any changes from last review and describe the last time regulations were updated and any changes that were made. Has the Board increased its maximum fines to the \$5,000 statutory limit?

Each complaint is considered on a case-by-case basis. Many factors go into the decision of whether to issue a citation and/or fine, including the violation, mitigating circumstances, prior issues (or lack thereof).

The Board has not increased its maximum fines to the \$5,000 statutory limit.

39. How is cite and fine used? What types of violations are the basis for citation and fine?

The cite and fine is used to gain compliance with the statutes and regulations governing court reporting, not as a form of punishment. The most common violations are untimely delivery of transcripts or unexcused failure to transcribe, unprofessional conduct or working with an expired license (unlicensed activity).

40. How many informal office conferences, Disciplinary Review Committees reviews and/or Administrative Procedure Act appeals of a citation or fine in the last 4 fiscal years?

Out of the 95 citation and fines, there have been 25 informal conferences in the last four fiscal years, about one in four. The Board has had no Disciplinary Review Committee nor Administrative Procedure Act appeal during that same time period.

41. What are the 5 most common violations for which citations are issued?

The most common violations are untimely delivery of transcripts, failure to produce a transcript, working without a license (failing to renew on time) and unprofessional conduct. The types of violations under unprofessional conduct include violation of the minimum transcript format standards, acting without impartiality or with bias toward one party, gross negligence or incompetence.

42. What is average fine pre- and post- appeal?

The average fine pre-appeal is \$900. Post-appeal, it averages to \$800.00.

43. Describe the Board's use of Franchise Tax Board intercepts to collect outstanding fines.

Staffing resources are such that this option is currently not used.

Cost Recovery and Restitution

44. Describe the Board's efforts to obtain cost recovery. Discuss any changes from the last review.

The Board's policy is to request cost recovery in every instance where the case merits recovery and is ordered by the administrative law judge. Typically, the amount ordered in a cost recovery encumbers costs for the Attorney General's Office only. The Board is generally successful in collecting these amounts, as seen on Table 11.

45. How many and how much is ordered by the Board for revocations, surrenders and probationers? How much do you believe is uncollectable? Explain.

As demonstrated in Table 9b, there have been nine revocations in the last three fiscal years, three voluntary surrenders and 12 placed on probation. Table 11 shows the amounts ordered and collected for those years. Another tool the Board has employed in obtaining full recovery is working with probationers to set up a payment plan over time, rather than demanding the payment in full at the time of the decision.

46. Are there cases for which the Board does not seek cost recovery? Why?

Cost recovery is always initially requested, but on a very rare occasion the Board will abandon the request as part of a stipulated settlement.

47. Describe the Board's use of Franchise Tax Board intercepts to collect cost recovery.

Staffing resources are such that this option is currently not used.

48. Describe the Board’s efforts to obtain restitution for individual consumers, any formal or informal Board restitution policy, and the types of restitution that the Board attempts to collect, i.e., monetary, services, etc. Describe the situation in which the Board may seek restitution from the licensee to a harmed consumer.

There is no statutory authority for Board-ordered restitution. However, the Board has maintained a proactive stance in assisting consumers in receiving money owed to them. The claims are based on fees charged by official court reporters for transcripts, which are regulated by law in Government Code 69950. There are no statutory fee requirements for work performed in a deposition or hearing setting by a freelance reporter.

Table 11. Cost Recovery (list dollars in thousand)				
	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15
Total Enforcement Expenditures	\$50	\$68	\$61	\$63
Potential Cases for Recovery *	4	4	12	7
Cases Recovery Ordered ¹	1	2	5	4
Amount of Cost Recovery Ordered ²	\$3	\$4	\$17	\$10
Amount Collected ³	\$4	\$2	\$3	\$7
* “Potential Cases for Recovery” are those cases in which disciplinary action has been taken based on violation of the license practice act.				

¹ Amount of Cost Recovery Ordered encumbers Attorney General’s costs only.

² If cost recovery is ordered as a condition of probation, the subject is given a period of time in which to pay or is allowed to make payments.

³ Amount includes subjects that are allowed to make payments over multiple fiscal years.

Table 12. Restitution (list dollars in thousand)				
	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15
Amount Ordered	0	0	0	0
Amount Collected	0	0	0	0

49. How does the Board use the Internet to keep the public informed of Board activities? Does the Board post Board meeting materials online? When are they posted? How long do they remain on the Board's website? When are draft meeting minutes posted online? When does the Board post final meeting minutes? How long do meeting minutes remain available online?

The Board uses its Web site, www.courtreporters.ca.gov, to provide transparency into the Board's activities. It is the Board's intent to post as much information as possible as more and more people are gaining information via the Internet. On the Board's Web site, the public can find out who the Board members are, where and when the Board meets and hold exams, everything from the Board's history to its current strategic plan. Additionally, applicants can obtain information regarding all three portions of the license examination, from application to grading policies, lists of court reporting schools to examination statistics broken down by school. The Consumer tab gives information on the complaint process, including providing the complaint form, information on disciplinary action taken against licensees, information on how students may complain, and also complete information about the Transcript Reimbursement Fund.

The Board makes every effort to have meeting materials available via the Web site ten days before the actual meeting date. Minutes from meetings are posted as soon as they are approved by the Board. Minutes from past Board meetings are available back to 2007. Draft minutes are not posted.

50. Does the Board webcast its meetings? What is the Board's plan to webcast future Board and committee meetings? How long to webcast meetings remain available online?

The Board utilizes the services of DCA's Office of Public Affairs (OPA) to webcast its meetings when sufficient Internet services are available at the meeting location and OPA has staff available. The Board prefers to webcast all of their Board meetings, but does not webcast task force meetings. The webcasts are available online for a couple years, as DCA's server space is available.

51. Does the Board establish an annual meeting calendar, and post it on the Board's web site?

The Board does not establish an annual meeting calendar, but does post meetings on the Board's Web site as soon as the date and location are confirmed.

52. Is the Board's complaint disclosure policy consistent with DCA's *Recommended Minimum Standards for Consumer Complaint Disclosure*? Does the Board post accusations and disciplinary actions consistent with DCA's *Web Site Posting of Accusations and Disciplinary Actions (May 21, 2010)*?

The complaint disclosure policy is set by Business and Professions Code 8010. It provides that information regarding a complaint against a specific licensee not be disclosed until the Board has filed an accusation and the licensee has been notified of the filing of the accusation against his or her license. This does not apply to citations, fines or orders of abatement, which are disclosed to the public upon notice to the licensee. These are also posted on the Board's Web site. This is consistent with DCA's complaint disclosure and public disclosure policies.

53. What information does the Board provide to the public regarding its licensees (i.e., education completed, awards, certificates, certification, specialty areas, disciplinary action, etc.)?

The Board verifies whether or not the license is in good standing, when it was issued and when it will expire, as well as an address of record. All disciplinary actions are also public, including citations and fines, on the Board Web site.

54. What methods are used by the Board to provide consumer outreach and education?

Licensee Board members and the executive officer participate in trade association meetings at local, state and national levels. They also make presentations at career fairs and high school events. Seminars are prepared and given at industry meetings as well as at court reporting schools.

To maximize resources, the Board continually seeks to develop other outreach methods, including renewal form inserts and webinars. Additionally, the Board utilizes an e-mail subscription service to alert interested parties as to Board activities.

Section 7 – Online Practice Issues

55. Discuss the prevalence of online practice and whether there are issues with unlicensed activity. How does the Board regulate online practice? Does the Board have any plans to regulate internet business practices or believe there is a need to do so?

As far as the practice of court reporting itself, as electronic communication replaces physical paper, the online issue is the verification or authentication of the original transcript. Currently, the original transcript must have an actual “wet” signature or be digitally signed through a service that offers authentication of the signature to ensure there have been no changes to the text of the transcript.

Firms outside of California are web-camming depositions within California utilizing court reporters in other states to produce deposition transcripts that are under the jurisdiction of California courts. This is of concern because there is no oversight of these out-of-state reporters by the Court Reporters Board of California to ensure compliance with California statutes and regulations that protect consumers.

Additionally, the Board is tracking technological advances in forms of videoconferencing as that becomes a more common practice for depositions. Existing laws and regulations continue to apply to the practice and are really not impacted by the online aspect. The Board will continue to monitor trends, however, and take action should the need arise.

56. What actions has the Board taken in terms of workforce development?

As part of the 2015-18 strategic plan, the Board has established the goal of supporting schools' recruitment efforts in order to preserve the integrity and continuity of the court reporter workforce for consumer protection. Board staff will work with DCA's Office of Public Affairs to develop a communications plan. Additionally, the student brochure will be updated, and content for the Web site will be developed. This is of particular importance to the Board as there is a predicted shortage of court reporters, which is explained more fully under the answer to question 59.

57. Describe any assessment the Board has conducted on the impact of licensing delays.

The Board has experienced no licensing delays.

58. Describe the Board's efforts to work with schools to inform potential licensees of the licensing requirements and licensing process.

Board staff meets with schools as a group three times a year in conjunction with the practical portion of the license examination. Board staff is also available upon request to speak at court reporting schools at all levels, from beginning classes to more advanced classes.

59. Provide any workforce development data collected by the Board, such as:

a. Workforce shortages

The National Court Reporters Association in conjunction with Ducker Worldwide has published an industry outlook report which predicts a shortage of some 2,320 court reporters in California by the year 2018, due to increased demand for court reporting services, including increased captioning demand which will siphon off judicial reporters, as well as the demographics of the current workforce, which demonstrates that approximately 70 percent of existing court reporters will retire in the next 20 years. The report is included as Attachment K.

b. Successful training programs.

Pass rates for each school are included as Attachment L.

60. What is the status of the Board's implementation of the Uniform Standards for Substance Abusing Licensees?

Substance abuse has not manifested itself as an issue with the court reporting industry. The rare cases that appear are dealt with on a case-by-case basis.

61. What is the status of the Board's implementation of the Consumer Protection Enforcement Initiative (CPEI) regulations?

The Board has participated in updating and standardizing its enforcement reporting as a part of the CPEI. As demonstrated in the Board's performance measures, enforcement targets have been set and progress is monitored to ensure goals are achieved.

62. Describe how the Board is participating in development of BreEZe and any other secondary IT issues affecting the Board.

The Board has participated in all meetings relating to its release date. At this point, as the Board is included in Release 3, we are in a holding pattern. Once Release 2 goes live, the Department of Consumer Affairs will conduct an analysis to determine the best way to bring Release 3 boards and bureaus into the BreEZe system. In the interim, the Board is impacted by the freeze to existing legacy systems, prohibiting any changes to the current system. The Board can continue to complete tasks to enable business as usual, but changes, such as those affecting veterans and active duty military, become difficult if not impossible to make. It is unfathomable to licensees that the Board's technology is so antiquated it is unable to accept a credit card for license renewal payment.

Section 10 – Board Action and Response to Prior Sunset Issues

Include the following:

1. **Background information concerning the issue as it pertains to the Board.**
2. **Short discussion of recommendations made by the Committees/Joint Committee during prior sunset review.**
3. **What action the Board took in response to the recommendation or findings made under prior sunset review.**
4. **Any recommendations the Board has for dealing with the issue, if appropriate.**

(Following are the issues from the prior oversight committee, the committee staff recommendation and the Board's response. Current Board response is indicated by **.)

ISSUE NO. 1: Should the licensing and regulation of court reporters be continued, and should the profession continue to be regulated by the CRB?

Background: The health, safety and welfare of the public is better protected by a well-regulated court reporter profession. Court reporters provide an invaluable service to the legal community. They are highly trained professionals who transcribe the words spoken in a wide variety of official legal settings such as court hearings, trials, and other litigation-related proceedings such as depositions. The CRB continues to be an effective mechanism for licensure and oversight of court reporters and should be continued. The CRB has shown over the years a strong commitment to improving the effectiveness and efficiency of the Board's operation and has worked cooperatively with the Legislature and this Committee to bring about necessary changes. The CRB should be continued with a four-year extension of its sunset date so that the Committee may review once again whether the issues and recommendations in this Paper and others of the Committee have been addressed.

Staff Recommendation: *The court reporting profession should continue to be regulated by the current CRB in order to protect the interests of the public and be reviewed once again in four years.*

Board Response: The Board agrees with the Committee analysis that the health, safety and welfare of the public are better protected by a well-regulated court reporting profession. The Board remains committed to improving overall efficiency and effectiveness of its operations and appreciates the staff recommendation to extend the sunset date of the Court Reporters Board for four years, hopefully as part of SB 1237 (Price). The amendments would be to Business and Professions Code section 8000 as well as 8005, which addresses the executive officer's position.

[The Board has no additional response.]**

ISSUE NO. 2: Should an extension be granted to continue to fund the Transcript Reimbursement Fund (TRF) indigent litigants?

Background: The TRF (BPC Sections 8030.2. through 8030.8) was established by the Legislature in 1981, and is funded by annual license renewal fees. The TRF is a special fund and does not rely on any General Fund monies for its operation. The purpose of TRF is to provide transcript reimbursement costs in civil cases where an indigent litigant needs a copy of a transcript. Essentially, the criteria to qualify for reimbursement are:

- The litigant must be indigent and must be represented by legal counsel.
- The applicant must be a qualified legal services project, qualified support center or other qualified project.
- The case cannot be fee-generating.
- The applicant must certify to refund the full amount of all reimbursements from TRF from any award of court costs or attorney fees.
- TRF provides reimbursement for costs as outlined in BPC 8030.6

Under the program, the CRB has paid more than \$7.2 million from the TRF to provide transcript costs to indigent litigants. By law, the TRF must begin each fiscal year (July 1) with a minimum balance of \$300,000, made up from the CRB's fund.

Since its inception in 1981, the TRF was established with a sunset date, which has been extended on an ongoing basis by legislation until the current time. The TRF is currently scheduled to be repealed on January 1, 2013, and unless legislation is passed extending that date, all unencumbered funds remaining in the TRF, as of that date, will be transferred to the Court Reporters Fund.

The TRF is a valued program serving the indigent community and it is vital for the court process to have an extension of the program. Committee staff recommends extending the sunset date for the TRF four years to correspond with the sunset date for the CRB.

SB 1181 (Cedillo, Chapter 518, Statutes of 2010) authorized a two-year pilot project, expanding TRF to pro se litigants who are indigent. Historically, TRF has been underutilized by indigent litigants represented by pro bono attorneys or qualified nonprofit entities, so this pilot project was implemented in order to maximize the benefits of TRF; expanding access to justice to those most in need. The pilot project runs for two calendar years, January 1, 2011, through January 1, 2013. The project is capped at \$30,000 per calendar year and each case is capped at \$1,500. The chart below represents the TRF expenditures so far approved and allocated pursuant to this pilot project.

Transcript Reimbursement Fund (Pro Se Pilot Project)				
	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11*
No. of Requests for Reimbursement Received	N/A	N/A	N/A	134
No. of Requests Approved	N/A	N/A	N/A	90
No. of Requests Denied	N/A	N/A	N/A	29
Amount of Funds Allocations (Provisional Approval)	N/A	N/A	N/A	\$25,893.33
Amount of Funds Disbursed	N/A	N/A	N/A	\$5,814.70
Amount of Funds Recovered by Judicial Award of Costs	N/A	N/A	N/A	\$0

Staff Recommendation: *The sunset date for the TRF should be extended four years in order to ensure that indigent individuals are able to access justice.*

Board Response: The Board agrees with the Committee analysis that the TRF is a valued program serving the indigent community and that it is vital for the court process to have an extension of the program. The Board is pleased to be able to provide the administration of the TRF thereby increasing access to justice for California's most vulnerable citizens and supports the staff recommendation to extend the sunset date of the TRF for four years, hopefully as part of SB 1237 (Price). The amendment would be to Business and Professions Code section 8030.2(g).

[The Board has no additional response.]**

ISSUE NO. 3: Are professional corporations owned by non-CSRs asserting lack of Board jurisdiction over their activities?

Background: In response to complaints about unethical gift giving (violation of CCR Section 2475(a)(8)) and violations of the minimum transcript format standards (CCR Section 2473), a task force was appointed by the CRB in 2007, to study the issue of firm oversight. The members of the task force included small, medium and large-firm owners. Ultimately, the task force arrived at language which was included in AB 1461 (Ruskin).

In 2010, via AB 1461 (Ruskin), the CRB sought legislative clarification to Section 8046 of the BPC as it relates to firms providing court reporting services. AB 1461 sought to clarify that in addition to corporations, a firm, partnership, sole proprietorship or other business entity providing or arranging for shorthand reporting services (any entity offering or providing the services of a shorthand reporter) was barred from doing or failing to do any act that constitutes unprofessional conduct under any statute, rule or regulation pertaining to shorthand reporters or shorthand reporting. The bill died on Suspense in Assembly Appropriations Committee.

Since that time, the CRB has issued a citation and fine against a non-CSR-owned court reporting corporation that allegedly violated the gift-giving regulations embraced in the Professional Standards of Practice. As the corporation has refused to pay the fine, a request for declaratory relief has been filed in Santa Clara County, seeking judicial clarification.

Not only does the statute affirm that corporations providing court reporting services are subject to the jurisdiction and rules of CRB, it is also counterintuitive to have the activities of corporately owned firms offering court reporting services be outside the jurisdiction of CRB. The ultimate consumer of the transcript is the litigant, and their need to have transcripts that are lawful, honestly and accurately prepared is the same regardless of the corporate form of the entity that arranged for the proceeding.

If an attorney hires a firm because of a large gift, a direct violation of Section 2475(a)(8), rather than competitive rates or quality of service, the consumer, the lawyer, and the litigant are the unknowing potential victims. Similarly, if there is a violation of Section 2473, the minimum transcript format standards, the litigant could end up paying hundreds or even thousands of dollars more for transcripts.

It is noteworthy that the Corporations Code that exempts professional corporations from having to register with the CRB is the same Code that provides they are subject to its jurisdiction. If a corporation is not a professional corporation subject to the CRB's jurisdiction, then they may have to indeed register with the CRB.

To clarify the CRB's jurisdiction over any entity offering shorthand reporter services, the CRB recommends that Section 8046 of the Business and Professions Code be amended to read:

~~8046. A corporation, firm, partnership, sole proprietorship, or other business entity providing or arranging for shorthand reporting services shall not do or fail to do any act~~ Any entity offering or providing the services of a shorthand reporter shall not do or fail to do any act the doing of which or the failure to do which would constitute unprofessional conduct under any statute, rule or regulation now or hereafter in effect which pertains to shorthand reporters or shorthand reporting. In conducting its practice these entities shall observe and be bound by such statutes, rules and regulations to the same extent as a person holding a license under this chapter.

Committee staff concurs with the CRB's recommendation to clarify that any entity offering shorthand reporter services must comply with the laws governing persons licensed by the CRB.

Staff Recommendation: *BPC Section 8046 should be amended to clarify that any entity offering or providing shorthand reporter services must comply with the laws governing licensees of the CRB.*

Board Response: There is no question that there are professional corporations owned by non-CSR's that are asserting lack of Board jurisdiction over their activities. The background as laid out in the Background Paper clearly delineates the issue the Board faces while attempting to ensure that the consumers of California are protected from unscrupulous practices. The way that a business is formed, whether sole proprietor, corporation, partnership or limited liability company, should have no bearing on its obligation to follow the laws and regulations of the State. The court reporting industry is a multi-million dollar industry in California, and the Board welcomes business to our state; however, it believes all entities that provide services should be held to the same standards. The amendment, as laid out in the Background Paper to Business and Professions Code section 8046, would add clarity to the Board's jurisdiction to take action in cases of misconduct on the part of court reporting firms not owned by a licensee. There is ongoing litigation regarding this specific issue, and the Board feels it prudent to defer any legislative changes until the legal matter is completed.

****Additional Board Response:** SB 270 (Mendoza) is currently before the Legislature in an attempt to clarify the Board's jurisdiction over all entities offering court reporting services in California. The bill is being met with heavy opposition from those firms asserting they do not have to follow the statutes and regulations that govern court reporting services.

ISSUE NO. 4: Is the Transcript Reimbursement Fund Pro Se Pilot Project underfunded to meet the demands placed upon it?

Background: As indicated, in 2010, SB 1181 (Cedillo, Chapter 518, Statutes of 2010) authorized a two-year pilot project, expanding TRF to pro se litigants who are indigent. Historically, TRF has been underutilized by indigent litigants represented by pro bono attorneys or qualified nonprofit entities, so this pilot project was implemented in order to maximize the benefits of TRF, expanding access to justice to those most in need. A cap of \$30,000 per each calendar year was set aside for this project, with a case cap of \$1,500.

The entire \$30,000 cap was reached after processing an application received July 15, 2011. Staff continues to process applications as previously encumbered money becomes available, but clearly demand exceeds resources.

According to the CRB, no legislative action is actually needed at this point; however, CRB wants the Legislature to be aware there is a potential issue. There could be staffing issues if the pilot project were to become permanent or if the \$30,000 cap were to be increased.

An additional consideration is the increasing move toward privatization of the courts. Some counties have decided not to provide court reporters in civil matters, requiring litigants to provide their own reporter. This additional cost to the litigant may bring increased demand for assistance with costs associated with obtaining a transcript.

Staff Recommendation: *In agreement with the CRB's recommendation, no legislative changes need to be made at this point. However, the CRB should notify the Committee if conditions occur which necessitate changes related to the TRF Pilot Project.*

Board Response: From the perspective of maximum utilization of assistance funds, the pro per pilot project has been a success. To date over a hundred vulnerable litigants have been assisted by the pro per pilot project, many of whom may not have been able to pursue their cases or appeals without the assistance of the TRF. The large volume of applications attests to the demand for the project. When the entire \$30,000 allotment for 2011 was allocated after processing an application received July 15, 2011, there were 44 applications still pending. Clearly, demand exceeded resources. CRB staff reviewed 22 of these applications; letters were sent to 17 applicants informing them that their requests would be processed as funding allowed, and five applicants received letters of incomplete or rejected applications.

Staff continued to accept and process applications as previously-allocated money became available. In most case, allocations are based on estimates provided by the applicants from the court reporters. As invoices for payment were processed, the actual cost for the transcript was commonly lower than the original estimate; therefore, previously-allocated money slowly became available and was redistributed to other applicants.

As of January 1, 2012, an additional \$30,000 became available. Staff began processing the 73 applications remaining from 2011. Several invoices for cases provisionally approved in 2011 were received and processed after the end of 2011; therefore, there was \$925.61 left over, which has been rolled into the available funding for 2012. There are still 45 outstanding invoices from estimates provisionally approved in 2011, totaling \$10,351.79.

Concern has been raised by licensees and court clerks regarding the fee waiver that is required as proof that the applicant is indigent. According to these parties, the applications for fee waivers are not verified by the court, and many of the applicants we have approved do not qualify, in their opinion. The Board finds this troublesome, but is at a loss for an adequate replacement for verification of each applicant's financial status. Currently limited staffing resources do not allow for staff to independently validate an applicant's financial situation.

An additional factor in consideration of the pilot project is the increasing move toward privatization of the courts in California. Some counties have decided to not provide court reporters in civil matters, requiring litigants to supply their own court reporter. This additional cost to the litigant may bring increased demand for assistance with costs associated with obtaining a transcript, which may, in turn, consume the overall fund more quickly.

Additionally, there could be staffing issues for the CRB if the pilot project were to become permanent or if the \$30,000 cap were to be increased. While existing staff was able initially to absorb the workload, the overall TRF workload increased by 70% in 2011 compared to prior years. This resulted in the inability of staff to perform mandatory oversight of recognized court reporting programs and to reach significant strategic plan objectives. In addition, B&P Code section 8030.6(f) indicates that actions shall be completed within 30 days of receipt of the invoice and TRF application; however, the processing time increased to as much as 60 days during some periods for the main fund applications due to the increase in TRF applications overall.

The Board is supportive of every effort to maximize the use of the TRF. In light of the increased workload, however, and the pressure that decreasing appropriations in recent years has placed upon staff resources, the Board does not feel the project can be sustained with existing staff. The Board would happily redirect resources but for the fact they have, over the past three years, cut all

but mission-critical activities. With no action from the Legislature, the pro per pilot project will sunset at the end of 2012. If it is the pleasure of the Legislature to extend or expand the pilot project, the Board hopes the decision-makers are mindful of the concerns stated here and awaits further direction from the Legislature.

****Additional Board Response:** The Board has been able to maximize the Pro Per Program of the TRF while benefitting from a two-year limited-term staff services analyst. The workload is such that when the position is eliminated and existing staff absorbs it, a backlog may result.

A separate issue is the underfunding of the Pro Per Program. Clearly with the current condition of the fund, an increase is not a viable solution.

ISSUE NO. 5: Should CRB continue to explore the possibilities of establishing a continuing education requirement for licensed CSRs?

Background: The profession of court reporting allows the CSR to either work in courts as “official reporters” or work for lawyers as “deposition reporters” or “freelance reporters.” According to the CRB, currently only official reporters are required by the Judicial Council to take continuing education, which is intended to ensure that the reporter maintains a high level of professionalism, including technical skills and knowledge of ever-changing legal statutory codes, thereby protecting the consumers’ interests in the judicial setting. There is no such requirement for freelance reporters, which the CRB states creates an inequity in the skill levels and professional standards of the licensee, which has unintentionally resulted in disservice to the public.

Despite the CRB’s attempt to inform all court reporters of changing laws and regulations, reporters are oftentimes too busy with their work to stay up to date on changes in the field. In addition, the advent of new and emerging technologies has allowed freelance reporters to work in virtual isolation, further complicating the CRB’s attempts at uniformity of knowledge and requirements within the field. The CRB contends that mandatory continuing education for all court reporters would ensure that a minimum level of competency is achieved, and would ensure that consumers are protected in all judicial venues of California, not simply the courts, thereby enhancing public protection.

As previously indicated, continuing education has been an issue as far back as the 1996 Sunset Review Report and again in the 2005 review. The Joint Committee noted that the CRB had been instrumental in attempting to provide leadership in the area of continuing education for the profession. At that time, there had been much discussion about the pros and cons of such requirements. The CRB had deleted a continuing education proposal from its 1994 legislation when it learned that the Governor would not approve it. In 2008, the CRB sponsored a mandatory continuing education bill, AB 2189 (Karnette), which ultimately was vetoed by the Governor.

In 2011, SB 671 (Price), a similar mandatory continuing education bill, was also vetoed. In the veto message, Governor Brown stated: “The whole idea of legally mandated ‘continuing education’ is suspect in my mind. Professionals already are motivated to hone their skills or risk not getting business. Requiring them to pay fees to ‘continuing education providers’ is an unwarranted burden.”

The CRB remains committed to this consumer protection aim. While the Legislature has twice passed such legislation, the CRB states that it will continue to work with the Administration to address its concerns.

Committee staff concurs that the CRB should continue to work with the Administration regarding the issue of continuing education for court reporters.

Staff Recommendation: *The CRB should continue to monitor this issue and continue to work with the Administration on the issue of continuing education for all licensed court reporters. The CRB should report back to the Committee the results of any guidance received from the Administration.*

Board Response: The Judicial Council of California has already recognized the need for continuing education for its court staff, including court reporters and has addressed it by instituting a mandatory continuing education requirement. Ensuring the continued competency of court reporters in order to protect the California consumer remains a priority of the CRB. As technology business models change for the industry, the CRB will monitor the situation and work with the Administration to address its concerns.

****Additional Board Response:** AB 804 (Hernandez), which would have required mandatory continuing education for renewal of a court reporting license, was vetoed by the Governor.

ISSUE NO. 6: Are discretionary travel restrictions negatively impacting outreach?

Background: The CRB seeks to take a proactive stance with regards to enforcement by educating licensees, schools and students at every opportunity. Historically, the CRB has spoken to students at court reporting schools across the state and has given seminars at state and local association meetings. As important as outreach is to the success of consumer protection by the CRB, it clearly is not mission critical as defined in the Governor's Executive Order B-06-11, which prohibited discretionary travel and required all in-state non-discretionary travel to be approved by Agency Secretaries or Department Directors

The CRB understands the need to do more with less in the present economic conditions and is working to come up with creative solutions. Additionally, the CRB is exploring the possibility of producing informational seminars to be posted on the CRB's Web site. The efficacy of this method of education remains to be seen.

The CRB recommends that as soon as economic conditions allow, the restrictions on travel should be lifted.

Staff Recommendation: *In agreement with the CRB's recommendation, travel restrictions should be lifted once economic conditions allow.*

Board Response: The CRB will continue to work on achieving creative ways to expand outreach efforts without travel.

[The Board has no additional response.]**

ISSUE No. 7: Why has CRB's Fund reserves decreased over the last 5 years?

Background: The CRB is funded almost completely by examination and licensing fees collected from applicants and licensees. The CRB receives no federal funding and no revenue from the State's General Fund. License renewal is the CRB's largest source of revenue, accounting for approximately 91% of the operating fund. Another 3% comes from examination and license application fees, and just under 3% is comprised of payments of citations/fines. The remaining just over 3% is miscellaneous revenue including delinquent fees and investment income. For fiscal year 2010-11, the CRB has a projection of 16.2 months in reserve. There is no statutory mandatory reserve level for the CRB.

Table 4. Fund Condition (dollars in thousands)

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Beginning Balance	1957	1808	1521	1201	1045	862
Revenues and Transfers	658	565	485	592	593	592
Total Revenue	958	865	785	892	893	892
Budget Authority	2624	2374	2001	1793	1638	1454
Expenditures	815	852	800	747	772	787
Fund Balance	1808	1521	1201	1045	862	667

Staff Recommendation: *The CRB should discuss with the Committee the CRB's fund condition, and identify any unusual expenditures or shortfalls that are contributing to the diminishing fund reserves. The CRB should also identify appropriate solutions, including raising fees, controlling spending, or other steps that might be taken in order to ensure a stable reserve level for the Court Reporters Fund.*

Board Response: The Board currently has a healthy fund condition with 19.3 months in reserve for the current fiscal year. That being said, the Committee notes a decline when projected into the future, hitting zero or negative in fiscal year 2018/19.

With the number of licensees remaining relatively stable, revenue remains fairly constant. During the time period since the last review, expenditures have been reduced by 3.4%. An analysis of the overall numbers reveals that the decline in fund reserves is mainly due to a decrease in budget authority, which has been reduced some 44.6 percent. Part of this reduction is explained by exceptional expenditures that arise from time to time. One example would be the occupational analysis, which is conducted approximately every five years. The occupational analysis is an extensive, detailed study of current practice in the field. The data compiled is used to develop an examination plan, which allows for the formation of legally-defensible license examinations that are current and relevant. When such a situation arises, the Budget Change Proposal process is carried out, ideally with an increase in budget authority for the time period of the specific project and subsequently returning to the baseline.

An additional impact on the fund condition is the ongoing funding of the TRF. In the early years, the TRF was funded in smaller amounts, as applications demanded. A few years ago the TRF began to be funded with the full \$300,000 each year, regardless of the claim amounts. Because the TRF has been fully funded for the majority of the years of its existence without being fully utilized, the reserves in the TRF are such that the CRB could reduce or temporarily suspend the transfer of funds into the TRF. This would help the CRB's reserve to stay positive for the foreseeable future, while still reimbursing all eligible applicants to the TRF.

****Additional Board Response:** As set out in the answer to question No. 9, page 11, the Board has been monitoring the fund condition regularly and has made every effort to timely increase the revenue by seeking an increase to the fee cap (and ultimately the license fee).

ISSUE No. 8: Technical Correction Needed to Licensing Act.

Background: On January 1, 2007, the Bureau for Private Postsecondary and Vocational Education was allowed to sunset. In 2009 AB 48 (Portantino, Chapter 310, Statutes of 2009) established the Bureau for Private Postsecondary Education.

Staff notes a technical correction needed in BPC Section 8027 (a) to correctly reference the name of the Bureau:

(a) As used in this section, “school means a court reporter training program or an institution that provides a course of instruction approved by the CRB and the Bureau for Private Postsecondary and Vocational Education, is a public school in this state, or is accredited by the Western Association of Schools and Colleges.

Staff Recommendation: *A technical amendments should be made to correct the name of the Bureau for Private Postsecondary Education in BPC Section 8027 (a).*

Board Response: Committee staff correctly pointed out a technical correction to B&P Code section 8027(a) to accurately reflect the current iteration of the Bureau for Private Postsecondary Education, something that could be corrected within SB 1237 (Price), it is hoped.

****Additional Board Response:** The Board will ask for this technical correction in the next legislation it pursues.

Section 11 – New Issues

This is the opportunity for the Board to inform the Committees of solutions to issues identified by the Board and by the Committees. Provide a short discussion of each of the outstanding issues, and the Board's recommendation for action that could be taken by the Board, by DCA or by the Legislature to resolve these issues (i.e., policy direction, budget changes, legislative changes) for each of the following:

1. Issues that were raised under prior Sunset Review that have not been addressed.
2. New issues that are identified by the Board in this report.
3. New issues not previously discussed in this report.
4. New issues raised by the Committees.

CRB ISSUE No. 1: Foreign corporations violating court reporting statutes and regulations.

This issue is outlined in the answer to question No. 37 on page 29.

Legislative Action Needed:

Options will be explored.

CRB ISSUE No. 2: Fund condition cannot support future activity.

This issue is outlined in the answer to question No. 9 on page 11.

Legislative Action Needed:

Legislation is needed to amend Business and Professions Code 8031(d) to increase the fee cap from \$125 to \$250.

CRB ISSUE No. 3: Underfunding of TRF Pro Per Program.

In 2010, SB 1181 (Cedillo) authorized a two-year pilot project, expanding the Transcript Reimbursement Fund (TRF) to pro se litigants who are indigent. Historically, the TRF has been underutilized by indigent litigants represented by pro bono attorneys or qualified nonprofit entities, so this pilot project was implemented in order to maximize the benefits of the TRF, expanding access to justice to those most in need. A cap of \$30,000 per each calendar year was set aside for this project, with a case cap of \$1,500. The program was extended during the last sunset review process through January of 2017.

Within the first two years, it was evident that demand was going to surpass the available funding. Per B&P Code 8030.6(h), "Applications for reimbursement that cannot be paid from the fund due to insufficiency of the fund for that fiscal year shall be held over until the next fiscal year to be paid out of the renewed fund. Applications held over shall be given a priority standing in the next fiscal year."

By mid-January 2015, the full \$30,000 had been allocated to the previous year's applications. As of mid-August 2015, applications have been received totaling \$27,000, essentially the full allocation for 2016.

Legislative Action Needed:

Assuming the fund condition can be fortified as outlined in CRB Issue No. 2 above, the Legislature could consider amending the language of the governing statutes to allow for a review at the end of the Pro Bono Program's fiscal year, June 30th, and if there are unspent funds in the Pro Bono Program from that year, the \$30,000 allocation for the Pro Per Program could be augmented at that point, as it runs on a calendar year.

Section 12 – Attachments

Please provide the following attachments:

- A. Board's administrative manual. *See Attachment M*
- B. Current organizational chart showing relationship of committees to the Board and membership of each committee (cf., Section 1, Question 1). *See Attachment B*
- C. Major studies, if any (cf., Section 1, Question 4). *See Attachments D, E and F*
- D. Year-end organization charts for last four fiscal years. Each chart should include the number of staff by classifications assigned to each major program area (licensing, enforcement, administration, etc.) (cf., Section 3, Question 15). *See Attachment B*

List of attachments:

- A. School List
- B. Organization Charts
- C. Strategic Plan
- D. Exhibit Handling Best Practices
- E. Interpreted Depositions Best Practices
- F. Best Practice Pointers
- G. Performance Measures
- H. Application for Examination
- I. Application for Reexamination
- J. Complaint Prioritization Guidelines
- K. NCRA Ducker Report
- L. Pass Rates by School
- M. Administrative Manual

Section 13 – Board Specific Issues

THIS SECTION ONLY APPLIES TO SPECIFIC BOARDS, AS INDICATED BELOW.

Not applicable to the Court Reporters Board